

**NOMINATIONS OF HON. ALAN F. ESTEVEZ TO
BE PRINCIPAL DEPUTY UNDER SECRETARY
OF DEFENSE FOR ACQUISITION, TECH-
NOLOGY, AND LOGISTICS; MR. FREDERICK
E. VOLLRATH TO BE ASSISTANT SEC-
RETARY OF DEFENSE FOR READINESS AND
FORCE MANAGEMENT; AND MR. ERIC K.
FANNING TO BE UNDER SECRETARY OF
THE AIR FORCE**

THURSDAY, FEBRUARY 28, 2013

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 9:35 a.m. in room SD-106, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Gillibrand, Blumenthal, Donnelly, Kaine, King, Inhofe, McCain, and Ayotte.

Committee staff members present: Richard D. DeBobes, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Jonathan D. Clark, counsel; Gabriella E. Fahrner, counsel; Gerald J. Leeling, counsel; Peter K. Levine, general counsel; Jason W. Maroney, counsel; John H. Quirk V, professional staff member; and Robie I. Samanta Roy, professional staff member.

Minority staff members present: John A. Bonsell, minority staff director; Steven M. Barney, minority counsel; William S. Castle, minority general counsel; Ambrose R. Hock, professional staff member; and Anthony J. Lazarski, professional staff member.

Staff assistants present: Jennifer R. Knowles, Mariah K. McNamara, and Lauren M. Gillis.

Committee members' assistants present: Jeff Fatora, assistant to Senator Nelson; David LaPorte, assistant to Senator Manchin; Elana Broitman, assistant to Senator Gillibrand; Marta McLellan Ross, assistant to Senator Donnelly; Karen Courington, assistant to Senator Kaine; Jim Catella and Steve Smith, assistants to Senator King; Paul C. Hutton IV, assistant to Senator McCain; Todd Harmer, assistant to Senator Chambliss; Robert Foster, assistant to Senator Wicker; and Brad Bowman, assistant to Senator Ayotte.

OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN

Chairman LEVIN. Good morning, everybody.

This morning the committee considers the nomination of Alan Estevez to be Principal Deputy Under Secretary of Defense for Acquisition, Technology, and Logistics; Frederick Vollrath to be Assistant Secretary of Defense for Readiness and Force Management; and Eric Fanning to be Under Secretary of the Air Force.

Mr. Estevez, Mr. Vollrath, Mr. Fanning, we welcome you all. All three of our nominees have demonstrated their commitment to public service throughout their careers. We appreciate your continuing willingness to serve, and we appreciate the support that your families provide which is so essential to your success, as you well know. As is our custom, during your introductory remarks, your statements, please feel free to introduce any family members or friends that you have with you here today.

Our witnesses today are nominated for policy positions that deal with some of the most complex challenges confronting the Department of Defense (DOD).

The Principal Deputy Under Secretary of Defense for Acquisition, Technology, and Logistics will be a key participant in major decisions affecting the hundreds of billions of dollars that DOD spends every year to acquire property and services. If confirmed, Mr. Estevez will share responsibility for a broad array of functions, including developmental testing, contract administration, logistics and materiel readiness, installations and environment, operational energy, the acquisition workforce, the defense industrial base, and efforts to increase the Department's buying power and improve the performance of the defense acquisition enterprise.

Mr. Vollrath has been nominated to be Assistant Secretary of Defense for Readiness and Force Management, responsible for developing policies, providing advice, and making recommendations to the Under Secretary of Defense for Personnel and Readiness in the areas of civilian and military personnel policy, readiness of the force, and military community and family policy. Additionally, the Assistant Secretary of Defense for Readiness and Force Management is responsible for allocating assigned resources and providing oversight of subordinate activities, including the overall day-to-day supervision of the Department of Defense Education Activity and the Defense Commissary Agency.

Mr. Fanning has been nominated to be Under Secretary of the Air Force, the second highest civilian position in the Air Force. The Under Secretary of the Air Force assists the Secretary of the Air Force in organizing, training, equipping, and providing for the welfare of its more than 333,000 Active Duty men and women, 178,000 Air National Guard and Air Force Reserve members, 182,000 civilians, and their families. He also oversees the Air Force's annual budget of more than \$110 billion and serves as Acting Secretary of the Air Force in the Secretary's absence. As Under Secretary, Mr. Fanning would also serve as the Chief Management Officer of the Air Force.

These three nominations come before this committee at a time of unprecedented turbulence. Just last week, we held a hearing on the impacts of sequestration and a full-year Continuing Resolution (CR). We found that if these events come to pass, which looks more

and more likely, the negative impact on the Department of Defense will be huge.

The Deputy Secretary of Defense, the Chairman of the Joint Chiefs, the Comptroller, and the Joint Chiefs of Staff all testified to the severe and significant issues that sequestration and a full-year Continuing Resolution will bring to each Service. While we hope an 11th hour solution can be found, we are pleased to see that individuals of the caliber of the witnesses and nominees before us today are willing to step into this maelstrom and serve in these important capacities. The challenges will be great and the tasks even more difficult than they are currently.

Over the next few weeks, the committee will hold a series of important hearings. Next Tuesday, we will hear from the commanders of U.S. Central Command and U.S. Special Operations Command. Next Thursday, a week from today, we will hear from U.S. Africa Command and U.S. Transportation Command. The following Tuesday, March 12, 2013, we will hear from U.S. Strategic Command and U.S. Cyber Command.

At the same time that we are doing this at a full committee level, our subcommittees are beginning to plan their hearing schedules for the year. In particular, the Personnel Subcommittee will hold a hearing on sexual assault in the military on March 13, 2013. I am very pleased that Senators Gillibrand and Graham are addressing this extraordinarily important issue. Our servicemembers, men and women, deserve an environment where they are not subjected to sexual harassment and sexual assaults. All members of our committee—and I just talked to Senator Gillibrand about this—whether they are members of that subcommittee or not are welcome to attend and participate, and I thank Senator Gillibrand for that.

All our witnesses this morning bring strong qualifications to the positions for which they have been nominated. I look forward to their testimony, to the answers that they provide to our members during questioning. I hope the committee can act promptly to confirm these nominees.

Senator Inhofe.

STATEMENT OF SENATOR JAMES M. INHOFE

Senator INHOFE. Thank you, Mr. Chairman. I join you in welcoming the nominees here this morning.

Overshadowing everything that is going on right now, as the chairman said is the sequestration thing, which we have had the Chiefs in here and we have had everyone coming in and talking about the disastrous things that we are facing. Today is the day, however, that we will actually be voting on a couple of bills that will have to do with it.

I would be remiss if I did not mention that one of the alternatives we have had began 5 weeks ago, Mr. Chairman. I contacted all the Chiefs, all five Chiefs of the Services, and said, if this becomes reality and we are going to be faced with this, how much could be mitigated? If you take the same top line and if you had the ability to make adjustments within each Service, what could you do? They said, it would put us light years in better shape than if we just had to take cuts across the board. I did not think we

would get to that point, but we are there today. That is one of the alternatives that we will be discussing.

Mr. Estevez, for too long, the way the Department has developed and procured weapons systems has been riddled with waste and inefficiency. We have talked about that for as many years as I have been up here. Recent legislative efforts such as the Weapons Systems Reform Act have put in place much needed reforms. Yet, given reductions in the defense budget and the threat of sequestration, it is more important now than ever that dollars used to equip our military are spent wisely. This will require the Department to define program risks. Risks are things that people do not like to talk about because risks translates into readiness and translates into deaths. We need to be addressing these things now, and most importantly, the Department is going to have to develop a culture of accountability for all programs.

Mr. Vollrath, through our military forces, although they remain resilient, 11 years of sustained combat operations have left them battered. We talk about the suicide problems. I spent the better part of a day last week out at Bethesda, at Walter Reed. I was just overwhelmed with the really good job that people are doing out there, and it may be the only place that is not impacted by the constraints that the rest of the military is under. I know that you will be interested in that and keeping the fine work going, as it has been.

Mr. Fanning, over the last 10 years, the Air Force has retired nearly 1,900 aircraft and reduced its Active Duty end strength to approximately 329,000 airmen, making it older and smaller than at any time since its inception in 1947. While service life extension programs and modifications have kept our Air Force flying, the cost to operate and sustain these aircraft continues to rise. It is something that we have been dealing with for as long as I have been on both the House Armed Services Committee and this committee.

It is a challenge and I am sure that you are, all three, up to these challenges, and I look forward to working with you and to hearing your testimony.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Inhofe.

Now, we will first call on Mr. Estevez.

STATEMENT OF HON. ALAN F. ESTEVEZ TO BE PRINCIPAL DEPUTY UNDER SECRETARY OF DEFENSE FOR ACQUISITION, TECHNOLOGY, AND LOGISTICS

Mr. ESTEVEZ. Thank you and good morning, Chairman Levin, Ranking Member Inhofe, members of the committee.

I am grateful for the opportunity to appear before you today. I appreciate the great support that this committee provides to our military.

I am honored that the President has nominated me for the position of Principal Deputy Under Secretary of Defense for Acquisition, Technology, and Logistics. I would like to thank President Obama for his trust and belief in my abilities to serve the Department.

I would also like to thank Secretary Panetta, Deputy Secretary Carter, and Under Secretary Kendall for their support of my nomination.

I am joined here today by my wife, Susan Pearson, and my sisters, Sue Ann and Pamela. I want to thank Susan for her continued support and sacrifice and her willingness to let me serve. As I noted in my confirmation hearing for my current position, without Susan's sage advice and counsel I would not be sitting here today. I am thrilled that my sisters were able to come down from New York and New Jersey to join me here today.

Chairman LEVIN. We welcome them all. I am sure they are thrilled to be here.

Mr. ESTEVEZ. I hope so.

Chairman LEVIN. We will get a report from them in a couple hours. [Laughter.]

Mr. ESTEVEZ. As the Assistant Secretary of Defense for Logistics and Materiel Readiness, it has been my privilege to support the Nation's men and women in uniform by providing world-class logistics capabilities. In the last 2 years, our defense logistics system has surged and sustained forces in two wars, successfully completed the drawdown of our forces and equipment in Iraq, and is in the process of supporting the drawdown and transition phase in Afghanistan.

I have had the opportunity to take numerous trips to Afghanistan over the last 4 years, and I have witnessed firsthand the magnificent efforts of our deployed forces. They continue to inspire me and I will be honored to continue to support them if I am confirmed for this position.

While most citizens do not realize it, the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics makes an impact on the everyday lives of the citizens of the United States primarily by acquiring the best technology and capabilities to enable our warfighters to protect this Nation but also, as was recently shown, by aiding the American people in the aftermath of natural disasters such as Superstorm Sandy. If confirmed, I will execute my duties to make sure that the American people are continually supported by the Department of Defense.

I would again like to thank this committee for asking me here today, and I look forward to your questions.

Chairman LEVIN. Thank you so much, Mr. Estevez.

Mr. Vollrath.

STATEMENT OF MR. FREDERICK E. VOLLRATH TO BE ASSISTANT SECRETARY OF DEFENSE FOR READINESS AND FORCE MANAGEMENT

Mr. VOLLRATH. Good morning, Chairman Levin, Ranking Member Inhofe, and members of the committee.

I am honored to appear before you today.

I appreciate the confidence that President Obama has expressed in nominating me to be the Assistant Secretary of Defense for Readiness and Force Management, and I am grateful to Secretary Panetta for supporting that nomination.

It has been a great honor and privilege for me to have served our Nation in the U.S. Army wearing that uniform for 35 years and

currently as the Principal Deputy Assistant Secretary of Defense for Readiness and Force Management.

The position of Assistant Secretary of Defense for Readiness and Force Management for which I have been nominated is a new position created by the Department pursuant to the authority provided in the National Defense Authorization Act (NDAA) for Fiscal Year 2010. It has also been my privilege to be the first individual nominated by the President to fill this very important role. During the past 11 months, I have also had the added responsibility of standing up the Office of the Assistant Secretary of Defense while serving as the Principal Deputy.

I have over 40 years of human resource management and executive leadership experience and bring with me the unique perspective of having both government and nongovernment human resource experience. During my career, I have seen many changes in our military and fully understand the importance of maintaining a ready force, especially during these critical fiscal uncertain times. If confirmed, I will use this experience to aggressively take on the challenges of this office.

I am grateful to the members of this committee and to all Members of Congress for the support they have given to our men and women in uniform and their families. If confirmed, I pledge to you that I will work diligently on behalf of our Nation's servicemembers, their families, and our civilian workforce that supports them. I am deeply honored to have the opportunity to continue my service to this great Nation.

I look forward to your questions. Thank you.

Chairman LEVIN. Thank you so much, Mr. Vollrath.

Mr. Fanning.

STATEMENT OF MR. ERIC K. FANNING TO BE UNDER SECRETARY OF THE AIR FORCE

Mr. FANNING. Thank you, Mr. Chairman, Senator Inhofe, members of the committee. It is an honor to appear before you today.

I would like to thank President Obama for nominating me and the Secretary of Defense for supporting this opportunity to serve. If confirmed, I greatly look forward to working with them and with this committee as well.

Nobody gets the opportunity to serve in positions like this without the help of many people over a very long period of time. I am fortunate to have many of them here with me today, dating all the way back to college and including Larry Smith, who hired me out of college into my first job on the House Armed Services Committee, through my later work at the Pentagon and at Business Executives for National Security. He has been an important friend and mentor to me ever since. Thank you to them and all the others here today to support me.

My mother had planned on attending, but as of late is unable to travel. I know she is watching from Florida.

I come from a family with a long history of service in uniform. Two uncles graduated from West Point and made careers in the Army. Another uncle served a career in the Air Force. My cousin flew helicopters in the Marine Corps. I learned from an early age

the importance of service and developed early on a deep respect and admiration for those who serve in uniform.

The Air Force faces many challenges well known by this committee but is a proud organization with a rich history. Its greatest strength, of course, is its people, almost 700,000 Active Duty, National Guard, Reserve, and civilians who make up the Air Force, along with their families. I have been immensely proud to serve these last 4 years with the men and women of the Navy and Marine Corps, and if confirmed, I very much look forward to becoming a part of the Air Force family. It would be my honor to play a role in making sure that the best men and women our country has to offer get all the support they need in undertaking the mission of defending our country, a mission for which they freely volunteered.

Thank you again for considering my nomination. Thank you for your service, and I look forward to your questions.

Chairman LEVIN. Thank you so much.

Let me now ask you the standard questions that we ask of all nominees. You can answer together. This is a matter of exercising our legislative and our oversight responsibilities, and that is the reason for these questions.

Have you adhered to applicable laws and regulations governing conflicts of interest?

Mr. ESTEVEZ. Yes.

Mr. VOLLRATH. Yes.

Mr. FANNING. Yes.

Chairman LEVIN. Have you assumed any duties or undertaken any actions which would appear to presume the outcome of the confirmation process?

Mr. ESTEVEZ. No.

Mr. VOLLRATH. No.

Mr. FANNING. No.

Chairman LEVIN. Will you ensure that your staff complies with deadlines established for requested communications, including questions for the record in hearings?

Mr. ESTEVEZ. Yes.

Mr. VOLLRATH. Yes.

Mr. FANNING. Yes.

Chairman LEVIN. Will you cooperate in providing witnesses and briefers in response to congressional requests?

Mr. ESTEVEZ. Yes.

Mr. VOLLRATH. Yes.

Mr. FANNING. Yes.

Chairman LEVIN. Will those witnesses be protected from reprisal for their testimony or their briefings?

Mr. ESTEVEZ. Yes.

Mr. VOLLRATH. Yes.

Mr. FANNING. Yes.

Chairman LEVIN. Do you agree, if confirmed, to appear and testify upon request before this committee?

Mr. ESTEVEZ. Yes.

Mr. VOLLRATH. Yes.

Mr. FANNING. Yes.

Chairman LEVIN. Do you agree to provide documents, including copies of electronic forms of communication, in a timely manner

when requested by a duly constituted committee or to consult with the committee regarding the basis for any good faith delay or denial in providing such documents?

Mr. ESTEVEZ. Yes.

Mr. VOLLRATH. Yes.

Mr. FANNING. Yes.

Chairman LEVIN. Okay. We will have an 8-minute first round of questions here, and let me start with you, Mr. Estevez.

We have millions of pieces of equipment in Afghanistan, and we have a logistical challenge of great size as our forces draw down. Key to the ability to remove this equipment is whether we are going to have access to ground lines in Pakistan and along the Northern Distribution Network through Central Asia. Can you give us your assessment on the level of cooperation that we are getting now from Pakistan on the retrograde of military equipment through Pakistan?

Mr. ESTEVEZ. Yes, Senator. Right now we are getting excellent cooperation with Pakistan. We have a number of proof of principles, as we call them, to move equipment through Pakistan. They are ongoing right now. Two of them have been successfully completed. The purpose of these is to hone out the processes with the Pakistanis, with their customs enforcement, with their port agencies, and with their trucking companies in order to facilitate an increased volume of those movements. But slow, steady progress.

Chairman LEVIN. All right. So it is not just a contract agreement or a written agreement to open up these lines? It is actually now happening. Is that correct?

Mr. ESTEVEZ. Yes, sir.

Chairman LEVIN. Okay. Mr. Estevez, in response to the committee's advance policy questions, you stated that you do not believe that fixed-price development contracts are appropriate because "most major weapons systems deal with maturing designs and significant integration problems, and a fixed-price development contract imposes too much risk on industry".

Now, we just adopted a defense authorization act which in section 818 says the following that, "The conferees believe that program risks should be reduced to the degree that the use of a fixed-price development contract for a major acquisition system may be appropriate." Our Senate committee report on this provision explains that both the cost to the Government in using cost reimbursement contracts too far into the development and the importance of reducing program risk prior to a Milestone B decision by avoiding the incorporation of immature technologies is very important. We have to do that.

I am not going to ask you a question now, but I would ask you to reevaluate, when you are confirmed, the position that you took in response to our advance policy questions in light of our law which we have now passed, section 818 and the committee report on the provision, and then get back to us. Will you do that?

Mr. ESTEVEZ. I certainly will, Senator.

Chairman LEVIN. Will you also get back to us on the question of contract services? Because we are going to need to do a lot more to understand and control spending on contract services. Contract services cost us about \$200 billion a year, which is about as much

as we spend on all products combined, including major weapons systems.

I would also ask you, within the first, say, 60 days that you are in office, will you give us a report on the steps which you are going to take to address the question of controlling spending on contract services?

Mr. ESTEVEZ. Absolutely, Senator.

Chairman LEVIN. Mr. Vollrath, I would like to ask you about the threat of sequestration on personnel. Can you describe for us the impact of sequestration on, just to give one example, the Services' transition assistance programs?

Mr. VOLLRATH. Certainly, Senator. The sequestration will result most likely in furloughs of the civilian workforce for a period of up to 22 days for the remainder of the year. The approximately 20 percent reduction in time from that civilian workforce will have an effect on the transition services that are required by the law, and we will have to do a significant job of scheduling to make sure that all servicemembers get the required transition training and experience. Right now, it appears that that may be possible.

Chairman LEVIN. We hope it is possible, but obviously there is going to be huge pressure. We cannot make cuts of that nature without an effect. Would you agree with that?

Mr. VOLLRATH. Yes, Senator, absolutely.

Chairman LEVIN. By the way, I want to invite you to visit a college in Lansing, MI, the Lansing Community College, which has I think the most extraordinary program that I have seen to transition people into actual jobs which are available using the experience that they have and smoothing the way towards a civilian job by dealing with the regulatory agencies that exist on the civilian side. For instance, this program takes medics that come out of the military and has it all planned so that the State regulatory agencies with their certification requirements give credit for the service performed while in the Service so that they can much more quickly become medical technicians, for instance, and then registered nurses. I would like you to come and visit that program which I think may be unique in the country.

Mr. VOLLRATH. Senator, given the opportunity, I most certainly will do that because we have had a full court press on trying to get the civilian sector particularly in all States to accept the credentials that service men and women acquire while on Active Duty.

Chairman LEVIN. Thank you.

Now, Mr. Vollrath, Senator Gillibrand, as I mentioned before, is going to have a hearing in her subcommittee on sexual assaults. I just want to let you know that when she does that at the subcommittee level, she and Senator Graham are going to be speaking for the full committee when that happens. This is something which is simply such an outrage for this to continue to occur that it must be at the top of the agenda when you take over responsibility.

For instance, the Air Force is currently addressing a number of sexual misconduct cases arising out of basic training at Lackland Air Force Base, and at last count, sexual misconduct allegations have been made against 32 military training instructors involving 62 victims. Mr. Fanning, can you give us your thoughts as to what must be done in this area?

Mr. FANNING. Thank you, Senator.

Any instance of sexual assault is too many, and I think that leadership across the Department of Defense has to remain committed to preventing this from happening in the first place. I believe that we are seeing a marked increase in what the Department is trying to do to combat sexual assault. If confirmed into the Air Force, it would be an absolute priority of mine to continue those efforts and work with Secretary Donley and General Welsh in that regard.

I think we need, first and foremost, as I said, to focus on preventing these from ever happening, but if they do, we need to ensure that victims of sexual assault have a safe place to report those assaults and have all the assistance that they need, medical, mental health, and legal. Finally, we need to make sure that perpetrators are held to account for their crimes.

Chairman LEVIN. Thank you.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

Mr. Vollrath, you heard the comments that I made about my experience last week at Walter Reed. Have you had an opportunity to—I am sure you have over a period of time—to see the development, the progress, the magnificent results that we are getting over there? If you have seen that, what are your ideas on continuing that, and do you see that that is going to be threatened in any way by sequestration?

Mr. VOLLRATH. In the near term, Senator, I believe sequestration will have some impact on it. In my particular portfolio and position, we work closely with the health affairs side to leverage all of the capabilities that they have developed and reach out to the civilian community because the effort is not just and the solution is not just within the Department of Defense. We need to leverage all resources.

Senator INHOFE. Yes. When you say that it could affect it adversely now, do you have anything specific in mind? I am just wondering what areas it could be adversely affected.

Mr. VOLLRATH. To the degree that the civilian workforce is there for their support, given that the majority of the medical care is provided by the uniformed services, the support element will degrade some of that service.

Senator INHOFE. Okay.

The chairman asked you the question about the civilian employees, the furloughing. In my State alone, we are estimating about 24,000 people. It is a huge number and we are concerned about it and you did respond. But if sequestration occurs, what would DOD and the Air Force do to minimize the impact on civilian employees? Is there anything, any ideas, you have now to try to minimize the negative impact that we are having right now with people? In my State, just knowing it is going to happen is something that has been pretty critical.

Mr. VOLLRATH. Senator, we do not have any silver bullet to spend to minimize the impact on the civilian workforce. I wish we did. Potentially if we could move money around, that might assist. But what we have done is to make sure that we do not take out

most of the sequestration or the reductions on the back of the civilian workforce.

Senator INHOFE. They were pretty optimistic out there in that they felt the good job they are doing—and I like to stand behind them in minimizing any of the negative impact. If you are confirmed, I would like to be kept up to date as to anything that might affect that.

Mr. Fanning, the Government Accountability Office (GAO)—first of all, I was wondering how you are juggling this thing, coming from the Navy and going into the Air Force. In your opening statement, I was very impressed. You have that close, intimate connection with both the Army, the Navy, Marine Corps, and the Air Force. I guess you would fit in about any place.

There was something that I was interested in when GAO recently released a report entitled “The Depot Maintenance Additional Information Needed to Meet DOD’s Core Capability Reporting Requirements.” The report cited the Air Force for not having an explanation for a sufficient plan organic—that is, internal—depot workload to meet these core requirements. The report specifically cited certain Air Force shortfalls and plans to mitigate them by assigning work to Air Force depots to support existing and new weapons systems such as unmanned aerial systems, munitions, and the F-35. Have you had a chance to look at that report and that particular area that I have just quoted?

Mr. FANNING. No, Senator. I have not yet seen that GAO report although I do appreciate the proper balance in depots between organic and contractor.

Senator INHOFE. Yes. This actually goes a little bit further than that because it talks about the mix has not been quite as accurate as it should have been or equitable as it should have been in the past, and it makes specific recommendations.

What I would like to have you do is provide to me where the Air Force has identified depot work shortfalls and the specifics. I would like to ask you to read that in the next short period of time so that we could actually have a discussion as to what your feelings are going to be on that. Would you do that for us?

Mr. FANNING. Absolutely, Senator.

[The information referred to follows:]

The Air Force reported shortfalls in Core sustaining workloads in the two areas: (1) Communications/Electronics Equipment; and (2) Ordnance, Weapons and Missiles. As new weapon systems are fielded such as MQ-1, MQ-9, KC-46, and F-35, these workloads will be established organically to specifically address core shortfalls in these and in any areas identified in future Core analyses. The report stated that the Air Force would mitigate the shortfall through incrementally assigning maintenance work to organic (military) depots for the MQ-1 and MQ-9 between the third quarters of fiscal year 2012 through fiscal year 2016. The workloads for these systems have been assigned to the Air Logistic Complexes and standup of the workloads is being accomplished with depot activation teams composed of members from the appropriate program office, depot and industry original equipment manufacturer. The depot activation teams ensure the necessary facilities, equipment and personnel are acquired and installed at the organic depots to execute the planned workload. The Air Force has budgeted for and received funds to activate MQ-1, MQ-9, and F-35 workloads. The program offices for these systems are working on plans to activate core workloads no later than initial operating capability (IOC) plus 4 years and in many instances earlier than required. For example, the F-35 is activating the airframe at Ogden Air Logistics Center (ALC), the engine at Tinker ALC and electronics/communication at Robins ALC while the program is still in low rate production, well before IOC. The MQ-1 and MQ-9 program office is actively stand-

ing up workloads at all three Air Force Logistics Complexes and at Navy and Army depots to satisfy Department Core requirements. These programs and others have programmed for depot activation and are working diligently to ensure the Air Force has the organic capability required to sustain the warfighter.

Senator INHOFE. Okay, good.

Mr. Estevez, I have expressed concern that wide-ranging authorities contained in the Defense Production Act are being used by the Department of Defense to spend \$170 million for the design and construction of a commercial biofuels refinery. On February 6, 2013, the same day the Secretary of Defense announced that the *Truman* carrier group would not be deploying to the Middle East due to budget cuts, we received a letter from Frank Kendall, the Under Secretary for Acquisition, Technology, and Logistics, announcing the Department's intent to spend \$30 million on the advance drop-in biofuels production used by the Defense Production Act.

I am sure that you have heard a lot of this, including the Senator that was sitting to my left and myself talking about the concern that we have with the budget shortfalls, with the disasters that are taking place right now, how we could be experimenting in biofuels and even talk about the construction of refineries in terms of prioritizing. I would like to have your thoughts about that. Is that the best use of defense funds?

As I remember when they started the Department of Energy, that is one of the things that they were supposed to be doing. Do you have any thoughts on that?

Mr. ESTEVEZ. I do, Senator. Thank you.

When you look across our energy investments, the vast majority, 96 percent of our energy investments, go to things like better engine technology, increasing range, increasing fuel capability on things like jets, tanks, and the like so that we are decreasing our demand, decreasing the need to put fuel out onto the battlefield. A small amount of that resource does go towards what we would call increasing the flexibility, increasing the resources that we can draw on, increasing the supply. The \$30 million would go to that. We are assessing the responses we have on our request for information from industry on that. Under the sequestration and budget environment that we are operating under, obviously every investment will have to be looked at, but we think that the small amount that we are putting into that is a prudent investment for the future.

Senator INHOFE. We are talking about a lot more money than \$30 million. We are talking about the acquisition in the case of the Navy. Mr. Fanning, maybe you have some background on this too. The 450,000 gallons that were procured for, I think it was—I am going by memory right now—I think \$29 a gallon as opposed to \$3 a gallon. You start doing the math on that and what the Air Force is doing now, it comes up to considerably more.

Here is what I would like. I do not want to put you on the spot now. But I would like to have you, for the record, to give me an evaluation, a justification as to those expenditures and relative to the other expenditures that directly affect our national defense, particularly in this time of sequestration. Would you do that?

Mr. ESTEVEZ. I would be happy to do that, Senator.

Senator INHOFE. Thank you.
[The information referred to follows:]

I believe that the Department of Defense should continue its modest investment in alternative fuels. As one of the world's largest consumers of petroleum, the Department has an interest in diversification of fuel supplies as a hedge against potential supply disruptions, especially for our legacy fleet of ships and planes, which will be with us for decades to come. Over the next 5 years, 96 percent of the Department's funding to improve operational energy use is devoted to reducing the amount of fuel required for military operations. The remaining 4 percent is a relatively small but important investment in alternative fuels, which is a longer-term strategy for our energy security. Most of this investment ensures that our equipment can operate on a wide range of fuels, so we are prepared if and when alternative fuels become commercially available. As petroleum is a finite resource, we believe this to be a prudent investment, and we have been performing these types of activities since 2003.

The Department's primary alternative fuels goal is to ensure operational military readiness and further the flexibility of military operations through the ability to use multiple, reliable fuel sources. To help achieve this goal, we released the Department of Defense Alternative Fuels Policy for Operational Platforms in July 2012. The policy confirms that all investments are subject to rigorous, merit-based evaluation and that the Department will not make bulk purchases unless they are cost competitive with petroleum products. To date, the Department has only purchased relatively small test quantities of alternative fuels, which are used in testing, evaluation, or demonstration activities. These purchases are mostly prototypes and should not be equated with commercial fuels purchases. I will ensure that the Department complies with the existing internal policy.

Senator INHOFE. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Inhofe.

Senator Gillibrand.

Senator GILLIBRAND. Thank you, Mr. Chairman, and thanks to each of our witnesses for their leadership and their service to our country. I am very grateful.

I am very concerned about the status and the well-being of the men and women who serve in our forces. I am very worried about the sexual assault rate estimated by the military at 19,000 a year. I am concerned about the suicide rate, almost one a day. I am concerned about hazing incidents. I am concerned about how we implement the repeal of Don't Ask/Don't Tell.

With regard to these issues, I would like to first ask Mr. Vollrath what he thinks in terms of how will you provide leadership on these issues to protect the force from hazing, from sexual assault, to prevent suicide. How do you look forward to addressing these policies?

Mr. VOLLRATH. Thank you, Senator.

First, to begin to resolve these issues in the long term, we need to ensure that we have reasonable policies in place, good communications over time that are effective so that all members of the Service understand the rules and the capabilities that they have to resolve their problems.

Let me talk about a case in point in suicide. Clearly we have not broken the code on suicide and suicide prevention. Period. We have not. What should we do and what are we doing?

One, establishing an office to focus and coordinate all of the efforts that have been taking place across all of the Services.

Two, ensure that we have a coordinated communication plan. That is different than just sending out notices or public service announcements periodically. It is similar to advertising, frequency and reach. You need a consistent message and a constant message

for people to understand so that they are willing to change their behavior and the stigma associated with seeking help is overcome. I will ensure, upon confirmation, that that takes place.

Third, in all areas, we need to make sure that we do a better job of educating our leaders all the way to the lowest level as to the responsibilities that they have to take care of their members of their organizations all the time. It is not just at the captain level, the lieutenant level, or the mid-grade sergeant level. It is at the corporal level.

I believe that we can and will do a better job with the leadership, the communication, and changing and reinforcing that culture of care. That same statement and that same thrust and strategic direction will be employed across all of those areas that you mentioned, Senator.

Senator GILLIBRAND. Thank you.

Another area that needs attention is the transition from Active Duty to veteran status because if you look at the indicators, suicide rates are even higher once they leave the military. If you look at the front page of the New York Times today when a woman has been sexually assaulted or has trauma experience while serving, the likelihood of her being homeless increases greatly once veteran status kicks in. I hope that you will also focus your attention on that transition, that very important time between transitioning from Active Duty to veteran status, to make sure our men and women do not suffer even after they leave the military.

Mr. VOLLRATH. Senator, absolutely we will continue to do that.

Senator GILLIBRAND. One other personnel issue. We work very hard in this committee to ensure that children of our military men and women who have special needs, autism, among other special needs children, have the access to the resources they need for just the medical attention they need. We are seeing that the implementation of even that pilot program is not going smoothly. I would like your commitment that you will focus on this issue and make sure that those children receive the health care that they need.

Mr. VOLLRATH. Senator, you have my commitment.

Senator GILLIBRAND. Thank you.

An issue that has been challenging for all of us here in Congress has been the issue of cybersecurity. I am concerned that we do not have the capability to recruit all of the best and brightest within the cyber world to do the work that we need for cyber defense and other missions related to that.

For Mr. Fanning, I was very pleased to read in your pre-prepared questions and answers that you plan to provide direction for Air Force science and technology that will focus on operation in space and cyberspace domains, but I am very disappointed that there are significant budget cuts. How will you deal with these budget cuts? In particular, we have assets in New York at Rome Labs that will also see budget cuts. I do not see how you will meet your mission requirements with these kinds of cuts.

Mr. FANNING. Thank you, Senator.

Not having been confirmed, I am not fully briefed on what the Air Force's plans are in dealing with potential budget cuts. Difficult cuts will have to be made. Everything will have to be on the table. But cybersecurity, if confirmed, would be a priority of mine, both

in making sure that we adequately resource cybersecurity needs but that we think creatively and with focus on how we build a cyber workforce. I agree with you. I think that is going to be a very difficult workforce to retain once we have recruited and trained it and it would be a priority of mine, if confirmed.

Senator GILLIBRAND. Secretary Estevez, as conventional warfare becomes more technology-based, how do you believe that we should retain the talent especially in the fields of information technology and cyber warfare that we are going to need, particularly when the private sector pays far more than the military can?

Mr. ESTEVEZ. Of course, personnel is not my area of focus other than for the acquisition workforce. But in general, what we find is that people serve the Department of Defense and our Government out of a feel for a greater good, as I would say the folks sitting up here, as yourselves. We have to draw on that and then we have to ensure that we treat our workforce properly.

Senator GILLIBRAND. Mr. Vollrath, one suggestion and one thing to consider is, obviously, we have great flexibility with our National Guard and Reserve to recruit talent who are expert in other fields and work in other fields as their day jobs. Will you consider how you could possibly recruit National Guard and Reserve cyber experts or a cyber corps which could leverage some of the training and hiring from the private sector?

Mr. VOLLRATH. Senator, absolutely. As we have looked at trying to develop and grow the cyber community necessary to man the various different units, use of the Reserve components has been critical to the long-term strategy to make this effective. We cannot do it without the Reserve Forces.

Senator GILLIBRAND. Moving to science and technical workforce issues, back to Mr. Estevez. What challenges do you see facing DOD and the research and development communities as they seek to attract entry, mid, and senior technical experts into their organizations?

Mr. ESTEVEZ. Again, with our budget issues, it is going to become more difficult. It is an area of focus for us. There are some tools that we can use, including the use of temporary assignment of personnel through the Intergovernment Personnel Act (IPA) and individual augmentees. We use that extensively at the Defense Advanced Research Projects Agency to attract people who want to come and serve the Government and serve the Department for periods of time before they go back to their universities. Plus we draw on university talent.

Senator GILLIBRAND. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Gillibrand.

Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman.

I thank the witnesses for being here and their continued willingness to serve the country.

Mr. Fanning, a few months ago, the Air Force decided to kill a huge logistics supply chain management business system called the Expeditionary Combat Support System (ECSS) after sinking about \$1 billion into the program, finding that another \$1.1 billion would be needed to field just 25 percent of the promised capability and

extracting from the taxpayers' total of a \$1 billion investment less than \$150 million in useful hardware and software.

Some of us on this committee, including the chairman and I, have been doing everything that we can to prevent the sequestration which we believe is devastating to our Nation's security. We believe our uniformed military, as well as the former Secretary of Defense who testified before this committee how devastating the effects would be.

How do I, Mr. Fanning, go tell the taxpayers of America in my State that the Air Force just wasted \$1 billion on a program that obviously was a miserable failure? So far, do you know anybody who is responsible for that failure?

Mr. FANNING. I have not yet been briefed on the Air Force's lessons learned, but I have had an opportunity in my Navy position to watch the developments with this program. I approach all business information technology (IT) systems with a great deal of skepticism in the Department of Defense, and in the Department of the Navy, in fact, we stopped the development of a major personnel and pay system because we thought it was on track to not deliver what was promised and waste taxpayer funds.

I think what I see in ECSS that I see in many other programs is a rush to a material solution before non-material solutions or business process—

Senator MCCAIN. Has anybody been held responsible that you know of, Mr. Fanning?

Mr. FANNING. Not that I know of, no.

Senator MCCAIN. Secretary Estevez, anybody fired? Anybody removed from their position? Anybody said this is the person in charge that made this \$1 billion—excuse me. We saved \$150 million out of \$1 billion.

Mr. ESTEVEZ. I believe, Senator, and I would have to confirm this, that the prior program executive officer (PEO) and prior program manager were removed from their positions. They were not the people who were there when we killed the program. They were the people who were there that led to the program restructuring and led to the recommendation to kill.

Senator MCCAIN. I am sure you understand our frustration, which brings me to the F-35.

Lieutenant General Bogdan has a pretty good reputation before this committee. He was in charge of the tanker program which seems to be on track. Yet, a couple or a few days ago he said, "What I see Lockheed Martin and Pratt & Whitney doing today is behaving as if they are getting ready to sell me the very last F-35 and the very last engine and are trying to squeeze every nickel of that last F-35 and that last engine." The general told reporters, "I want them both to start behaving like they want to be around for 40 years. I want them to take on some of the risk of this program. I want them to invest in cost reductions. I want them to do the things that will build a better relationship. I'm not getting all that love yet." Then he said—asked if he had seen some improvement from the companies, are they getting better at a rate that I want them to see them getting better? He said no, not yet. Of course, now we know that with massive failures, massive cost over-

runs that Lockheed has earned a 7-percent profit since the program began in 2001.

Do you have any justification for that?

Mr. ESTEVEZ. I cannot address the past. I can address where we are today.

Senator McCAIN. You cannot address the past?

Mr. ESTEVEZ. I cannot address what happened from 2001 until where I am today.

Senator McCAIN. You cannot address that at all?

Mr. ESTEVEZ. Senator, we have put new structures around that program. We have a new contracting process for that program. We now have a firm, fixed-price contract, incentive fee, 12 percent share. Lockheed will also pay the concurrency problems on that contract. So we have restructured the program. We brought in Admiral Venlet and now General Bogdan to run that program, two excellent PEOs, and we are working closely with Lockheed and Pratt to work through the problems that General Bogdan referenced in that news article.

Senator McCAIN. So since 2001—and we are in 2013—we are beginning to work through the problem. Is that what I can tell my constituents, Mr. Secretary?

Mr. ESTEVEZ. I believe you can over the last 4 or 5 years—5 years or so, we have restructured the program and we believe we are now on track to get a successful program.

Senator McCAIN. Now, you are sitting here before this committee and you can tell us there will be no further cost overruns borne by the Federal Government?

Mr. ESTEVEZ. I could not possibly do that, Senator.

Senator McCAIN. Why can you not? Why can we not penalize companies for failure to live up to the obligations of their contracts?

Mr. ESTEVEZ. It is important to get the right structure of contract. Senator Levin—

Senator McCAIN. After 12 years.

Mr. ESTEVEZ. On this particular airplane, I believe we do have the right structure of contract now and we will continue to get better contracts as we move into future development or production of this airplane.

Senator McCAIN. Mr. Fanning or Mr. Vollrath, do you have any comments on this situation? By the way, the plane is grounded again, as we know, because of a crack in the engine. It is grounded again. Do you have any comments, Mr. Vollrath?

Mr. VOLLRATH. Senator, I do not. I do not know enough to comment intelligently about it.

Senator McCAIN. If I sound frustrated, I say to the witnesses it is because I am. This committee has been tracking this program for many years. We have had witness after witness. We have had promise after promise. We have had commitment after commitment. Yet, the only thing that has remained constant is that Lockheed has earned a 7 percent profit since the program began in 2012. Excuse me. Since the program began in 2001, 12 years later.

Maybe you can help me out. What am I supposed to go back and tell my constituents about a \$1 billion program that the Air Force cancelled and, of course, the now most expensive weapons system

in history that has now reached \$1 trillion and the aircraft is now grounded? Do you have any ideas for me, Mr. Secretary?

Mr. ESTEVEZ. Senator McCain, we are working very diligently, Secretary Carter, Secretary Kendall, myself, our leaders across the acquisition community to change the culture and change the processes by which we buy our programs. I know that you have been briefed on what we call Better Buying Power. That includes accountability for our PEOs and program managers. It includes managing affordability. It includes cost control so that we can change the way we do this.

Senator MCCAIN. According to one of the people who is very highly regarded by this committee because of his previous performance, General Bogdan says, are they getting better at a rate that I want to see them getting better? He said, no, not yet. I would say you have your work cut out for you.

I can just say that as strong an advocate as many of us are for maintaining a strong national security, you cannot continue these kinds of incredible, total loss of the taxpayers' dollars without there being an understandable backlash on the part of the taxpayers of America, which I believe will harm our ability to defend this Nation.

I thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator McCain.

Before I call on Senator Donnelly, let me just tell you, Secretary Estevez, I share very deeply Senator McCain's frustration. We need answers. We need answers in addition to what Senator McCain pointed out. The folks who write the contracts, unless there is recoupment provided for from the contractors for failures, there is accountability lacking not just on the type of equipment itself, the production of that equipment, the failure of a contractor to produce something that works.

There is also perhaps failure on our part in terms of did we write contracts which did not provide for recoupment, and if there is failure there, where is there accountability inside the Department or the agency which wrote the contract which let contractors off the hook? There is a lack of accountability kind of up and down the line. This engine issue is just the most recent manifestation of it.

Senator McCain with his great initiative in this area is going to be—and I will be joining him—actively involved in this Expeditionary Combat Support System loss. Whether it is \$850 million or \$1 billion, it is just incredible. Where is the recoupment of that money? Why is that a loss to the Treasury instead of to the contractor? We need answers on that. It is in the middle of sequestration. It just dramatizes the problem, but this problem has been existing too long. Senator McCain and I and others on this committee and other committees have tried to rewrite laws. We have rewritten laws to provide more accountability, but we are going to be looking to you, Secretary Estevez, for answers.

Thank you.

Senator Donnelly.

Senator DONNELLY. Thank you, Mr. Chairman.

To all of you, thank you for your service to our country.

Mr. Fanning, with our National Guard and our Reserve members, they at times, obviously, are at home and are not part of serv-

ing at that point. What mental health resources does the Air Force have when they are at home, when they are not in the field and they are struggling with suicide and with mental health issues? Their alternative of going to see private care or going to talk to friends or whatever—how do we fill that hole so that they can still receive care, receive counseling when they are not on Active Duty pay status?

Mr. FANNING. Senator, I think the total force structure of the Air Force, which is something I am learning about now—it is different than what we were accustomed to in the Navy and Marine Corps—is a critical strategy for the Air Force. The Guard and Reserve are important partners with the Active component. From what I am told by the Air Force in my briefings by the Surgeon General, there are a multitude of services available for people who are not on Active Duty or who are remotely located.

If confirmed, I will look into this much more closely. I think one of the problems is making sure that those Guard members, those Reserve members who are not activated are aware of the services that are available to them. I think communication is one of the critical gaps in what we have in making sure that those individuals know what services are available.

Senator DONNELLY. If you could get further details for us because, obviously, just because their pay status has changed, their problems do not go away and their need for help does not go away. As you said, they may not know where to go for help or how to get it. So anything you can do in that process to let us know what the plans are, what the future plans are, we would appreciate.

Mr. FANNING. Absolutely.

[The information referred to follows:]

The Department of Defense, as a whole, is absolutely committed to the well-being of all our troops and personnel.

A number of resources exist for Air Force Reserve and Air National Guard members not on duty when they are struggling with suicidal thoughts and mental health issues.

The Air Force Reserve and Air National Guard are dedicated to developing a culture of resilience, by encouraging healthy lifestyles in four main areas known as Comprehensive Airmen Fitness: physical, mental, social, and spiritual. Airmen with strong physical, mental, social, and spiritual fitness have the ability to withstand, recover and even grow in the face of stressors and changing demands. By educating airmen and families about resources and focusing on the importance of the “wingman culture” and building meaningful relationships, airmen are encouraged to seek help before a crisis occurs.

The Air Force Reserve and Air National Guard provide education, outreach, and resources for families through unit leadership. Air Force regulations specifically direct unit commanders and first sergeants to proactively contact and provide support for family members of deploying Air Reserve component members. The unit commander also tasks various support agencies, including Airman and Family Readiness, to ensure that families are contacted and provided for.

The Yellow Ribbon Program offers resources on behavioral health issues and suicide mitigation and is offered to Reserve and Air National Guard airmen and their families predeployment, during deployment, and post deployment. Funded by Yellow Ribbon, the Psychological Health Advocacy Program (PHAP) is designed to assist Reserve airmen and their family members with a variety of needs, including mental health issues, financial assistance, relationship and family counseling, and substance abuse through referrals. There are three regional, four-person teams to support Reserve airmen and their families as well as provide 24/7, non-crisis telephone support. The Reserve PHAP staff attends all Yellow Ribbon events as well as provides outreach to the bases in their regions.

The Air National Guard Psychological Health Program (PHP) was developed to address psychological health needs of ANG airmen and their families. The PHP

places a licensed behavioral health provider at each of the Air National Guard's 89 wings throughout the 54 States, territories, and the District of Columbia. The program provides three categories of service: leadership advisement and consultation; community capacity building; and direct services—to include assessment, referral, crisis intervention, and case management services that are available daily. The wing directors of Psychological Health are available 24/7 to operational leadership and provide services to Air National Guard airmen and their family members regardless of whether they are at home or on duty status.

The Air Force Reserve Wingman Toolkit is a broad-based Air Force Reserve initiative designed to empower airmen and their families to achieve and sustain wellness and balanced lifestyles using the four domains of Comprehensive Airman Fitness. The toolkit is located at: <http://AFRC.WingmanToolkit.org>. The website was first launched in 2010 and is accessible 24/7 from any computer by anyone with access to the internet. The Wingman Toolkit provides commanders, airmen, families, and friends (i.e., Air Force Reserve wingmen), access to a wide variety of resources, training opportunities, a dedicated Wingman Day page, promotion of the Ask, Care, Escort (A.C.E.) suicide intervention model, educational outreach materials, social media (Facebook, Twitter, Etc.), a mobile phone application, SMS texting capability ("WMTK" to 24587), inspirational and training videos, a YouTube page, and partnerships with other organizations. The Wingman Toolkit, in addition to annual wingman stand down days and the longstanding Air Force suicide prevention program, educates and equips airmen, commanders, first sergeants, co-workers, family members, and friends to proactively take care of themselves and avoid crises. It's also the first line of support in identifying airmen in need of assistance and prepares them to get to safer, healthier places.

Since Air Reserve component wingmen (e.g. family, friends) are often non-military personnel, the Air National Guard's Wingman Project provides information and resources for suicide prevention on publicly-accessible websites. The Air National Guard tailors marketing and resource materials for each State. The primary goal of the Wingman Project, located at <http://wingmanproject.org>, is to reduce warfighter, Department of Defense civilian, and family member suicides through human outreach, education, and media. The site provides education on how to intervene if someone is in emotional distress and provides tools and resources to target specific risk factors for suicide. The Wingman Project helps airmen actively engage in increasing wellness and preventing suicide. The Wingman Project has additionally published a mobile application which works on all smartphone platforms, and can be utilized to communicate in between drills, ACE training, and locating helping resources.

The Air Force Reserve has obtained additional Reserve pay funding to increase chaplain support to installations to help build unit resiliency and provide suicide prevention support during seasonal crisis times, for those bases who request additional support, and units with previous suicide incidents.

The Airman's Guide for Assisting Personnel in Distress (commander and airman versions) is a web-based tool available to all servicemembers, including Guard and Reserve, to provide vital information about the wide range of challenges, indications of distress, recommended supportive actions by peers and leaders, and links and contacts for additional resources. The tool facilitates leader involvement and can help resolve potentially volatile situations.

TRICARE Reserve Select is available for Reserve component airmen and their family members and provides coverage for both outpatient and inpatient treatment. Access to military medical care is available to servicemembers with duty related conditions through TRICARE and the Department of Veterans Affairs.

Airman & Family Readiness Program Managers (A&FRPMs) align family support capabilities with the Joint Family Program in the States to provide support to all servicemembers and their families, providing direct sustainment and support to their wings. Air Force Reserve Command and Air National Guard Family Readiness Programs are designed to maintain and support mission readiness by assisting servicemembers and families with adaptations to the challenges of the military lifestyle.

Vets4Warriors: 1-855-838-8255/1-855-VET-TALK. www.vets4warriors.com. This Toll-Free 24 hour helpline is available to servicemen and their families—peer counseling and support, telephone assessments, and referrals for mental health issues, to include suicidal thoughts.

Military OneSource is provided by the Department of Defense at no cost to active duty, Guard and Reserve servicemembers, and their families. It provides comprehensive information on every aspect of military life including deployment, reunion, relationships, grief, spouse employment and education, parenting and child care, and much more.

- Support 24/7, free and confidential resources for Air Reserve component members consultations on any number of issues such as spouse education and career opportunities, issues specific to families with a member with special needs, and financial support and resources.
- Offers personal non-medical counseling services online, via telephone, or face-to-face.
- Non-medical, short-term counseling, as well as assistance with financial management, taxes, career services, health and wellness, and much more.

The Department of Veterans Affairs offers multiple resources and benefits that are available in person, online, or through the mail. Finally, the Military (or Veterans) Crisis Line, 1-800-273-8255 (TALK), Press #1, www.militarycrisisline.net, or text to 838255 is available 24/7 to all servicemembers and their families. It is a joint venture between the Department of Defense and the Department of Veterans Affairs' call center, which is associated with Substance Abuse and Mental Health Services Administration's National Suicide Prevention Lifeline. Resources include an online "Veteran's Chat" capability and the call center's trained personnel provide crisis intervention for those struggling with suicidal thoughts or family members seeking support for a Veteran.

Senator DONNELLY. Mr. Estevez, we have a case with our Indiana National Guard where they were working alongside a DOD contractor in Iraq in 2003 and were exposed to sodium dichromate. These are our neighbors. These are our friends. These are men and women working at the local tire store who were now over in Iraq at that time serving our country. The contractor they were working with had an indemnification provision. The question I have is, what are your views of these indemnification contract provisions used by DOD and what protection do our servicemembers have when those are in place?

Mr. ESTEVEZ. Senator, I am not familiar with the case, of course, but I would be more than happy to look into it. With regard to indemnification, of course, it depends on where you were operating and what backup the Department puts in. We are asking people to take risks when we put them out on the battlefield regardless of whether they are operating on a protected area of that battlefield. But I would be happy to look into that issue, sir.

Senator DONNELLY. Part of the risk should not be that when they are working next to a contractor. It was not the risk of insurgents. It was the risk of sodium dichromate. We want to try to make sure that when we tell our young men and women and take them from the community colleges and from working at the accounting firm, that they can expect to be safe—obviously, as much as possible in the situation that they are placed in.

[The information referred to follows:]

I understand that the indemnification of contractors against unusually hazardous risks is limited. Only the Secretary of Defense, the Under Secretary of Defense (Acquisition, Technology, and Logistics), and the Secretaries of the Military Departments can approve such indemnification, and a decision to approve indemnification is made based on the unique facts of the particular case.

I understand that contractor indemnification under Public Law 85-804 does not apply to servicemembers. Should I be confirmed, I will undertake to familiarize myself further in this area.

Senator DONNELLY. Mr. Vollrath, we are facing sequestration. It was noted that we lost more men and women to suicide in the last year than were killed in Afghanistan. The challenges that we face with sequestration are great. But one of the things I would ask you in this position is to continue with the financial challenges we are facing to continue to see how can you squeeze every dollar out to try to make sure that we continue to make progress on this front.

I know General Chirelli was extraordinarily focused on this effort. It is going to take tremendous creativity in the years ahead. But I would ask, along with the other areas that my colleague, Senator Gillibrand, was talking about, to please keep a focus like a laser on how can we end this scourge.

Mr. VOLLRATH. Senator, you have my commitment, upon confirmation, that we will continue to keep a full court press to overcome what clearly is a tragic situation.

Senator DONNELLY. Mr. Estevez, we are, obviously, having troops come home now, and as we do, we are in the situation where we have more contractors in Afghanistan now than troops. So what are the expectations of contractor numbers as we move forward over the next year or 2?

Mr. ESTEVEZ. Right now, we have about 110,000 contractors in Afghanistan. A little more than a third, about 40 percent, are actually Afghans. Of course, they will stay in Afghanistan. We are actively drawing down that number. In instances, as we draw down combat forces, there will actually be more contractors because they help close down bases rather than have our military do that. We want the combat power there. But we have an active cell closing down contracts and bringing those contractors back.

Senator DONNELLY. What do you see as our footprint contractor-wise a year from now?

Mr. ESTEVEZ. It will be about one and a half higher, maybe two higher as we draw down. There is going to be a little higher spike as we draw down.

Senator DONNELLY. Than it is right now?

Mr. ESTEVEZ. No. It will be about the same ratio. Right now it is approximately 68,000 troops to 110,000 contractors. I expect that to remain over the next—

Senator DONNELLY. The ratio of troops to contractors will remain in the same neighborhood.

Mr. ESTEVEZ. Yes.

Senator DONNELLY. Mr. Estevez, in an environment where countries like China are using cyber attacks to engage in theft of intellectual property across the board almost, what steps will you take to enhance DOD's collaboration with the defense industry to protect U.S. taxpayer-funded intellectual property? I was with one of our shipbuilding organizations the other day and they said they are subject to cyber attacks every single day for the technology they have. What do we do working forward on that?

Mr. ESTEVEZ. Senator, cyber is not exactly my area. However, I share the concern. In fact, Secretary Kendall has asked me to lead a task force looking at exfiltration of data, not necessarily classified data but intellectual property, things that we care about, working with the industry to do exactly what you are asking about. It is a very serious problem for us and for our industrial partners.

Senator DONNELLY. Gentlemen, thank you very much for your time.

Mr. Chairman, thank you.

Chairman LEVIN. Before I call on Senator Ayotte, let me just remind you, Secretary Estevez, we have a new law on cyber incidents involving defense contractors. It was in our defense authorization bill. They must report those incidents to us. We insist that they do

that, they comply with the law, but we also want to do that in the most cooperative and joint way we possibly can. We are on the same side of that issue, but there is now a law in place on defense contractors, now not on utilities and not on electric kind of utility issues and so forth, but on defense contractors there is. We would expect that you would remind them of that and fully implement that law.

Mr. ESTEVEZ. Absolutely, Senator.

Chairman LEVIN. Thank you very much.

Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman.

I thank our witnesses for being here and your willingness to serve our country.

I ask, first of all, Mr. Fanning about the provisions that require the Air Force to produce a statement of DOD's budgetary resources by September 30, 2014, so that the Department can be audit-ready. Are you committed to doing that?

Mr. FANNING. I am, Senator, yes.

Senator AYOTTE. Okay, good. I wanted to be clear because the questions you were asked in the written questions made it seem like it was a goal. It is now the law as passed by the 2013 defense authorization, and so this is a very important issue. I think that it is an important issue as we look at the fiscal challenges facing the country and also, in particular, the Department of Defense so that we can have the audit to have good financial information to make good decisions. So I appreciate your commitment to that important issue.

I wanted to ask Assistant Secretary Estevez about contracting, in particular, a concern that I have had. I had the privilege of visiting Afghanistan in January and meeting with Major General Longo and talking with him about contracting in Afghanistan. Previously I had worked with Senator Brown to introduce the "no contracting with the enemy" language that allowed us to cut off funds that were going to our enemies in Afghanistan. In fact, I think the Wartime Contracting Commission found that as much as \$60 billion of U.S. Government contracting funds had either been wasted or misspent, if you combined Iraq and Afghanistan.

One of the things Major General Longo said to me when I was in Afghanistan is we need additional tools to be able to make this legislation even more effective. It struck me also that this is legislation and tools that would allow DOD, when they are in contingency circumstances—should be able to cut off funds to enemies or to those who are cooperating against us.

I plan to work with Senator Blumenthal to introduce legislation to give you additional tools to cut off funds to our enemies and to cut off funds to those we are worried about going to corruption, other means that we would not want taxpayer dollars going. I think this is an authority that should be expanded beyond Afghanistan, and I want to get your thoughts on that.

Mr. ESTEVEZ. I appreciate that, Senator Ayotte. First of all, I want to commend Major General Longo. I worked very closely with him and Task Force 2010 and what they are doing there.

We would love to work with you on expanding those capabilities and tools. We do want to make sure that we have due diligence for

our contractors when we do that. Obviously, the authorities under A-41 use some extraordinary capabilities, using classified information, for example, to not contract with the enemy, and we want to make sure that we do not contract with the enemy worldwide. I would be happy to work with you on expanding that.

Senator AYOTTE. I appreciate it. Actually one of the problems that Major General Longo described to us was the fact that right now the way A-41 is working, we are only looking at unclassified information, and in fact that we need to actually come up with a smarter way because you may have classified information that tells you someone is an enemy. But if we are only relying on unclassified, we are actually not cutting off the full measure of people who are contracting with the enemy.

I look forward to working with you on this. This is a way we can make sure that taxpayer dollars do not go in the wrong hands.

I also wanted to ask Mr. Vollrath, you had said a statement about sequestration. I believe that Senator Inhofe had asked you a question about it, about the civilian impact as a result of sequestration. You said that it would help to move the money around but it does not solve, as I understood what you were saying, the full problem.

Can you, everyone on this panel, help me understand? Even if we give you the authority to move the money around, does it solve the impact of what the Department of Defense is going to undergo in terms of sequestration? I would particularly ask with regard to our readiness.

Mr. VOLLRATH. Senator, the way sequestration is currently configured, the cuts have to go basically equitably across all of the programs. When we are faced with a \$45 billion to \$46 billion reduction to take in 6 or at most 7 months—

Senator AYOTTE. As I understand it, the Office of Management and Budget has estimated that equates to about 13 percent over the 2013 period.

Mr. VOLLRATH. I will accept that, certainly. I have not taken the time to focus on that. I have been focused on the impact on the personnel and the resultant impact, as you correctly point out, on readiness because when you furlough, of that \$46 billion—\$45 billion reduction, you have to take it somewhere. As I mentioned earlier, we are trying, as best as possible, to not take it out on the backs of the workforce. So furloughing for up to 22 days, that is only about \$5 billion of that \$45 billion. There is a lot more that needs to be done.

When you take that kind of reduction, particularly in the civilian workforce, of what amounts to about a 9 percent or for them a 20 percent reduction in their pay and furlough 1 day per week—that is basically what that amounts to—there will be an impact on readiness. You cannot get the same amount of work done that you would normally get done in 10 days in the equivalent of 8. It does not work that way unless you want to ask the civilian workforce to do things that they ought not to do. So there is going to be an impact at the depot maintenance level. There will be an impact in the service level no matter how you slice it.

Now, could it be less? I think that is the point. It might be possible that it could be less. But I do not believe under any cir-

cumstances that we could not take some of that impact in our workforce.

Senator AYOTTE. Secretary Estevez, just to put the question to you, so if we give you—right now it is an across-the-board cut. Right? You have to cut everything. If we give you the flexibility—we have been hearing from the Department of Defense. This is the fundamental question. We have been hearing from them. Secretary Panetta, it is going to undermine our national security for generations. I had Chairman Dempsey here less than a week ago or roughly a week ago and he told me on a scale of 1 to 10, it was a 10 in terms of our national security.

So as someone who wants to resolve this and respects that the chairman wants to resolve this in a way that is consistent with protecting our country, if we gave you all the flexibility in the world—let us say we did not do it across the board—where does that leave you there? I think that is an important question to be answered.

Mr. ESTEVEZ. Thank you, Senator Ayotte. A couple things.

One, it is more than just sequestration. It is the Continuing Resolution that is causing much of the problem. Passing an appropriation bill or at least giving us the flexibilities in a CR is critical for us going forward. Number one.

Sequestration, the \$46 billion, I do not think at this point in the year additional flexibilities there give us what we need. We will get some of that within the CR, but at this point in the year to find that \$46 billion, I believe as Dr. Carter said when he was up here 2 weeks ago, we are going to be looking everywhere we can to get that money.

Senator AYOTTE. I mean, we have legislation pending that deals with flexibility, and so what I want to understand is if we pass this legislation, does that stop the impact on our national security or does that mitigate it so it is a manageable amount of impact on our national security? That is certainly what I would appreciate your advice on.

Mr. ESTEVEZ. It will not stop it. Taking \$46 billion again at this point in the year is not going to stop the impact on our national security. I think giving us the flexibilities or passing a 2013 budget for the Department of Defense and making sequestration go away for 2013 is the only way to really stop the impact on our national security. Obviously, past that, flexibilities may but we will be taking money from everything. So there is going to be a devastating impact to our security.

Senator AYOTTE. Thank you.

Chairman LEVIN. Thank you, Senator Ayotte.

Senator Kaine.

Senator Kaine. Thank you, Mr. Chairman.

Congratulations on your nominations. It is good to be with each of you today.

Just a few questions, and I would like to start with Mr. Vollrath, please, on some personnel issues that I am interested in the thought process now within DOD, particularly about use of the Guard and Reserve.

I had an interesting experience last week visiting a Guard unit in Stanton, VA, called the Stonewall Brigade that is quite large. I

was interested when I found out that their first operations as a brigade were 20 years before the French and Indian wars. They go back to 1740 and they can trace the lineage back that far.

In my discussions with these guardsmen and women and many during the time I was Governor and was Commander of the Virginia Guard, it really struck me that the Guard and Reserve are quite different than they were 10 or 15 years ago, that the level of training, the level of operational experience has dramatically increased. That made me start to think about forward-focused personnel planning and how much do we do with the Active Force, and there is a training cost to that. How much do we do in terms of putting in training monies to keep the Guard at this new kind of elevated level of readiness? I am just kind of interested in your discussion about that looking at personnel and the kind of overall manpower needs of our defense, how the Guard and Reserve are factoring in, in a new way, and how you factor that in going forward as you evaluate manpower needs.

Mr. VOLLRATH. Senator, the Guard and Reserve are critical to our projected readiness. The Guard and Reserve, as you know having served as Governor, are now an operational force. They are no longer that last resort, that strategic reserve if you will. They are fundamental to how we fight. So on a go-forward basis, it is critical that they be maintained and sustained for our long-term readiness.

Having said that, with their experience as an operational force, it is also key to readiness that we retain as many people that we can possibly in the Reserves that have that experience because once we lose that experience, then we significantly have to start ramping up retraining.

So right now, I would tell you that is a national treasure and they are key to our national defense right now, far from being that old strategic reserve. To the Reserve and Guard, give them credit. They have stepped up to the plate.

Senator KAINE. Going forward, there is no intent from a planning perspective that the Guard would revert back to just a pure Reserve function, but there is a thought that going forward we would make the investments in Guard and Reserve to keep them at an operational level of training and readiness?

Mr. VOLLRATH. That appears to be a prudent way forward. We have the Quadrennial Defense Review (QDR) coming up in this next year, and in that process, we will sort out exactly how we are going to move forward. But I do not know how we do it without.

Senator KAINE. Just thinking forward, if as part of that QDR, the decision is made we want to keep Guard at sort of an operations and not just a pure reserve asset and we want to put the training in to do that, then that would also affect other decisions about manpower levels in the Active branches because to the extent that Guard is at operational level, those numbers can provide some of the function so that it does factor into manpower planning in the Service branches as well.

Mr. VOLLRATH. Absolutely, Senator. It has to be a balanced approach to it. As we shift from contingency operations to the more full-spectrum on a go-forward basis, then we are going to have to sort out very finitely exactly how that force is going to be struc-

tured to do that. That is different from the last 10 years, as you can appreciate.

Senator Kaine. In making sure that the Guard maintains that desired state going forward, that makes things like retention and the training of Guard and reservists—ongoing training—absolutely critical.

Mr. VOLLRATH. Absolutely, Senator.

Senator Kaine. In my discussions with the Stonewall Brigade—and I was asking them about sequester and some of these budgetary challenges—the one thing that they were most concerned about was effects on training, the backing up of assigned training slots at various training facilities where they would go, oh, we are going to go next year, not this year or we are going to do it at home rather than go to the slot. The commander said if I have to put people into an operational capacity, I want them to be 100 percent ready and not 85 percent ready. The potential degradation in training was what was cited as their greatest concern right now.

But anyway, it is helpful to hear your thoughts on that.

Let me ask Secretary Estevez, and forgive me if this has been asked. But in the acquisition space, I would assume that the combination of sequester and CR, anything short of appropriations bills and normal budgets, imposes some inefficiencies in the contracting process because you can find more efficiencies, the greater their predictability, volume, multi-unit purchases, et cetera. I would suspect that some of the short-term savings we might be trying to obtain through something like sequester actually may work to our long-term disadvantage even on the savings side.

Mr. ESTEVEZ. That is true, Senator.

Senator Kaine. Could you give some examples of that?

Mr. ESTEVEZ. The acquisition system is kind of seized up right now. In fact, the Department as a whole is seized up in all kinds of contracts. I will speak just for what we are doing inside the Office of the Secretary of Defense. We are not letting any contracts. That means contracts to service—the SAIC types of the world or RAND or whoever. So they cannot plan their line.

Now, if we go to the industrial side—and you know what is going on in the shipyards as we cancel availabilities—when we start taking out of budget planned buys for things like the Joint Strike Fighter, that is going to increase the unit cost of those airplanes because you are not buying as many as you planned. That is not just something like the Joint Strike Fighter that is in early production. That is things like Apaches and Chinooks and anything that we are buying as we start to take those dollars out. That does not mean that that decreases the need because we still need those airplanes. So we are going to pay more to get the same plane that we could have if we had moved along through our budget and dropped whatever that capability is. It is an inefficient way of doing business. Our industrial base cannot plan for what they are doing. They are also making their own assessments. It is not a good way.

Senator Kaine. Let me just follow up with one question to follow up on Senator Ayotte's question about potential flexibility because you raised a point that I do not think everyone completely understands. Being already pretty far into a fiscal year, you at DOD have been planning around this kind of ugly, non-strategic, across-

the-board cuts. Everybody would agree that is not the way we should do it, but nevertheless you have been planning around how to do it, and we are pretty far into the fiscal year.

If suddenly the rule were to change and you do not have to do that, you have the flexibility now and then you would get some time to come up with flexible cuts and now we are farther into the fiscal year, I gather that there would be some effort that those cuts would have to be presented from the White House back to Congress and have Congress look at them and decide, and now we are farther into a fiscal year. Time is of the essence in terms of managing cuts of this size by this time in the fiscal year. Is it not?

Mr. ESTEVEZ. Absolutely, Senator. Of course, there are differences within the investment accounts where we are buying things that Congress has asked us to buy or that we asked Congress to help us authorize that you authorized in NDAA for Fiscal Year 2013. In the operation and maintenance accounts, where we have to pay for the war, we are going to pay for what our forces need forward. It is just a complete freeze-up because you have to push money through those things. So giving us this flexibility, while we take the time to replan, essentially means you go along with the plan that you have.

Senator KAINE. Yes.

No further questions. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you very much, Senator Kaine.

Senator Blumenthal.

Senator BLUMENTHAL. Thank you, Mr. Chairman. Let me begin by thanking the chairman for having a hearing on March 13 concerning sexual assault in the military, and I expect and trust that all of you will cooperate and aid us in this very important hearing and the effort to further protect against this truly predatory, criminal action that is all too common still, even after some good faith efforts by the military to stop it.

I want to also begin by thanking each of you and your families for your service to our Nation and for what you have done in the past and what you will do in the future and hope that this committee and I personally can be of assistance to you.

On the issue of contracting with the enemy, I know Senator Ayotte has raised the issue already. She and I have been working on revisions to the current prohibitions to impose tougher penalties and also to streamline the potential investigation and prosecution and extend them to Departments other than Defense. So I appreciate your cooperation in that effort as well.

I want to begin on the Joint Strike Fighter, if I may. I know Senator McCain has raised it with you, and all of us are fully and passionately in favor of a better procurement process. I hope that we can work together on improving that process so as to cut costs and streamline the procurement and acquisition process.

But as to the Joint Strike Fighter, the F-35, do you agree with Lieutenant General Bogdan's remarks on that issue?

Mr. ESTEVEZ. I cannot speak for Lieutenant General Bogdan who has the daily relationship with Lockheed and Pratt on that contract. I can appreciate his frustration, and any PEO's frustration is that we are trying to get the best value, best buy for our dollar, and best capability for the taxpayer. That puts some tension in the

relationship with any contractor. We do expect our contractors and want to hold them accountable and will hold them accountable to produce.

Senator BLUMENTHAL. I agree completely that they should be held answerable and accountable for the quality of the product and costs and so forth.

There is no question in your mind that this Nation is committed to the F-35. Is there?

Mr. ESTEVEZ. No, there is not.

Senator BLUMENTHAL. That the procurement and acquisition of that plane really require us to remain, as much as possible, on schedule in buying the airplane because that is the best way to reduce the cost per unit?

Mr. ESTEVEZ. That is correct, Senator, though we would also say we have flattened our buys as we work through some of the issues that, to most extents, have been resolved, but we do have some testing. A little less than 50 percent of the testing is completed. There are some issues that need to be worked, and before we ramp up production, we want to ensure that we are getting the plane that we are paying for.

Senator BLUMENTHAL. The effort to test and improve the airplane really requires a close working relationship. Does it not?

Mr. ESTEVEZ. It does, Senator. It is not just at the General Bogdan PEO level. We are working that up to the Secretary level inside the Department.

Senator BLUMENTHAL. My hope is that Lieutenant General Bogdan's remarks do not reflect the general attitude in terms of what that relationship has been or should be because I know that American taxpayers would be disappointed if they believed that somehow these contractors were in some way being disingenuous, as I think those remarks imply. I am not sure that the Department of Defense would agree with Lieutenant General Bogdan in that implication.

Mr. ESTEVEZ. Again, I am not going to try to speak for General Bogdan. He and I have not talked about the remarks as reported in the newspaper. He is traveling in the world at the moment.

We need and we strive to have and I believe we do have a strong relationship with the defense industrial base to include Lockheed and Pratt.

Senator BLUMENTHAL. My own view, for what it is worth, is that that relationship perhaps could be improved, and I hope that you will endeavor to improve it, but that these remarks do not reflect even the relationship as it stands now because I think there are very complex and challenging issues related to the development of this new aircraft that we have a common interest in solving without the kind of tension that could be exacerbated by these remarks. I have great respect for Lieutenant General Bogdan. I am not being critical of him. As you say, these remarks were reported in the newspaper, but I know that Pratt & Whitney is fully committed to solving the technical issues and to providing the best value to the Department of Defense and the American taxpayer.

Mr. ESTEVEZ. I appreciate that, and frankly I believe that Lieutenant General Bogdan would agree with you on that.

Senator BLUMENTHAL. Thank you.

If I may ask Mr. Fanning, I know that the issue of suicide in the military has been raised and I know that the Department of Defense is endeavoring to address these issues very responsibly.

My understanding is that civilian insurance companies have the capability to look at lifestyle indicators, for lack of a better word, facts about a person's lifestyle that provide some indication about the possible tendency towards suicide. In light of the very alarming statistics—and I know that “epidemic” is a vastly over-used term in the Nation's capital, but certainly it is an alarming trend—I wonder whether the Air Force has been able to make use of practices in the civilian world by insurance companies to use those indicators to identify people who may be more at risk.

Mr. FANNING. Thank you, Senator.

I think across the Department of Defense, there has been an enterprise perspective or attempt to make use of those indicators. We know, for example, that financial issues, relationship issues, legal issues have a higher correlation to suicide than even deployment schedules. I think the answer is yes, and if confirmed into the Air Force, taking care of the men and women who volunteered to serve would be the highest priority I would think in my job and that would be one of the things I would look at much more closely.

Senator BLUMENTHAL. I just want to say—and I thank you for that comment—my own view is that our people are our greatest asset. As magnificent and amazing as the Joint Strike Fighter is and all of our hardware, all of our weapons systems, the people are still our greatest asset, and the more we can do to attract and retain the very best by showing that we not only care about them but we are willing to do something about it is, I think, one of the great challenges ahead. It is one of the reasons that I voted for Senator Hagel to be our next Secretary of Defense because I think he is truly committed and passionate about men and women in uniform and about our veterans. I would just urge—you do not need my urging, but offer my help in any way possible in any of those personnel issues that you may face in your next job, assuming you will be confirmed as I expect you will be.

Thank you, gentlemen, for your service to the Nation.

I thank you, Mr. Chairman. That concludes my questions.

Chairman LEVIN. Thank you, Senator Blumenthal.

Senator King.

Senator KING. Thank you, Mr. Chairman.

A few quick questions to each of you, some fairly specific, and I will be submitting some questions for the record, Mr. Chairman.

Chairman LEVIN. That will be fine.

Senator KING. Mr. Fanning, we were disappointed and somewhat surprised when Bangor, ME, was not selected as even a potential base for the KC-46. What do you see for the future of refueling? Is the KC-135 fleet a part of the future? My concern is, obviously, that if the KC-46 is going to be the future of refueling, I wonder about the future of the 101st wing in Bangor. Can you talk to me about that?

Mr. FANNING. Not having been confirmed yet, Senator, I have not been a part of those deliberations or the process by which the Air Force decides its basing for the new tankers. But if confirmed, just the timing of these announcements would make it a first priority

for me, and I would get back with you and your staff to provide you more information on that.

Senator KING. I hope you will because the 101st has done a spectacular job over the last 10 or 15 years, given the demands. I would hope that would be part of the future. Okay. There will be some other questions for the record.

Mr. Estevez, on procurement, one of the real problems that we are facing right now with the Continuing Resolution and the sequester is the loss of multi-year procurement contracts. It is bad for the taxpayers because you lose the benefit of multi-year buys, and it is also terrible for the industrial base. Will you work with us on these? In the authorization bill, we have a multi-year procurement, for example, to take just—it pops into my head, the 10-year DDG-51 procurement. How do you see this as we get through this budget situation?

Mr. ESTEVEZ. I would agree with you.

Senator KING. That was the right answer. [Laughter.]

Mr. ESTEVEZ. We have asked for those authorities to proceed with those multi-years.

Now, if there is no money, that presents a problem for any procurement, to tell you the truth, because we will have to look at what is available in those accounts. But we have asked for in our appropriation bill—and hopefully we will get one—authority to do those multi-years.

Senator KING. As I understand, the Appropriations Committee bill that is ready to go has the multi-year procurement in it. Is that your understanding? Out of the committee?

Mr. ESTEVEZ. The version that is out, yes.

Senator KING. Changing the subject slightly, what is your assessment of our logistical readiness for the drawdown in Afghanistan? It is not going to be easy to get all that materiel out of there. Where do we stand on that front?

Mr. ESTEVEZ. It is a fantastic challenge for the logistics system. It is absolutely executable. It is going to be much more difficult than the drawdown from Iraq. Afghanistan, just from a geography standpoint, is a landlocked country. It does not have the infrastructure that Iraq had. Nevertheless, our logistics system is up to the task and we will be able to execute the drawdown and remove our equipment from Afghanistan, as well as our people, of course.

Senator KING. It certainly is going to be a challenge because there is no access by sea.

Mr. Vollrath, I had a colloquy with now Secretary Hagel. When I meet with veterans in Maine, particularly the recent people who have left the Service, one of the biggest problems they find is the lack of information. It is a complicated system with the Veterans Affairs (VA) and Defense Departments and all the different programs and what is available, what they can access, how they do it. You folks have an extensive network of recruiters who bring people in. I would like you to consider and suggest a similar reciprocal program to help people when they leave. Out-placement services is, in effect, what I am suggesting. That was the number one problem that the veterans brought to me when I was discussing this issue with them last summer.

Do you have any thoughts about this?

Mr. VOLLRATH. Yes, I do, Senator. First, let me say thank you to Congress for a law that was passed called the Vow to Hire Heroes Act. That law stipulated that the Department of Defense would set up a very robust transition assistance program with the help of the Department of Labor and the Department of Veterans Affairs. That transition assistance program, as defined in law, has been put in place. Let me describe the depth of that.

First, the Department of Defense will set up 100 percent of every servicemember leaving Active Duty with a plan ahead.

Second, as part of that out-processing or that transition process, that servicemember will receive up to 4 days of transition assistance from the Department of Labor so that they understand how to create a resume, they know how to interview, and the Department of Labor will then give what is now termed a warm hand-off to that servicemember to the community to which they say they are going so that they have the name of a person in the Department of Labor establishment in that locale that they, in effect, can report to get the help.

The third part is the Veterans Administration. The VA has up to 2 days with each of the persons separating to inform them as to what their benefits are that can be provided by the Veterans Administration in their totality, and probably most important, sign them up before they leave for those benefits and, like with the Department of Labor, create the warm hand-off for that servicemember with a name in the community for the Veterans Administration to which the servicemember intends to go.

In addition to that, we are instituting a three-pronged voluntary session that each servicemember may avail themselves of, if they wish. One is to help them apply for school fully, if they want to go to college or to some trade school. We will help them with the application and everything they need to get on board.

Second, if they want to go to a trade school and get that type of training, then the Veterans Administration, before they leave, will also give them that capability and provide them with a place to go and get that training that they desire.

The third has to do with the Small Business Administration (SBA). The SBA has stepped up to the plate and they also are providing to any servicemember that is departing a 4-day course on how to be an entrepreneur to start a small business. That is key, we believe and so does the SBA, because as you all know, most of the jobs are created by small business in America.

So not only are we helping them transition, we are trying to provide them the full measure of transition back into the community. So your suggestion, Senator, I take fully and will definitely run with it.

Senator KING. It sounds like all the thinking is there. I just hope that the execution matches the vision. Thank you very much.

I want to talk about rising personnel costs, but we will do that on questions on the record. My time has expired.

Thank you, gentlemen, for your answers.

Chairman LEVIN. Thank you very much, Senator King.

Just on that last question of Senator King, is there a simple brochure which lays out each of those five points?

Mr. VOLLRATH. I do not have a simple brochure that does that, but I have an information paper that does that.

Chairman LEVIN. Can you put together a brochure which you could get to all the Members of Congress and then hopefully to all the servicemembers who are leaving which describes what efforts are being made to help them transition so that at one place every one of our servicemembers who is leaving can see this is what the Department of Defense is doing, this is what you can expect? Because I think that what Senator King has raised is something which is really very much on all of our minds. I think he has really targeted something which we hear an awful lot about.

Earlier today, Mr. Vollrath, I talked to you about what the VA program is in one community college in my home State which actually, apparently in a unique way, has a program which veterans come to from around the country now that will help give them credit for the work that they have done, the skills that they picked up in the military and gaining early certification from States for that particular skill whether they are going to become a nurse or a medical assistant or a truck driver with skills, whatever it is, whatever the skills they gained in the military, that they do not have to duplicate them and go through a 2-year program or a 1-year program when a 3-month program is all they need in order to qualify and to smooth the way through the certification being done in advance for them through the State agencies which have to certify those skills before they can operate.

So that point which Senator King has gone through with you is really a very significant part of what all of us I hope and know are about. When you are confirmed or even before—but that should come pretty quickly—work on that very simple one-pager that could go on a website and can be printed out and handed to those of us who still read.

Mr. VOLLRATH. Will do, Senator.

Chairman LEVIN. The printed word I should say.

Do any of my colleagues have any additional questions?

Senator KING. My only comment, Mr. Chairman, based upon what you just said and I alluded to it—in my experience, execution is as important as vision. This is really how it is executed on the street with these guys, men and women, as they leave. That is critically important because this is what we are hearing at home. Thank you.

Chairman LEVIN. Thank you all. We thank you, our nominees. We look forward to your speedy confirmation and we thank you and your families and friends who are here for your service and their support of you in that endeavor. Congratulations.

We will stand adjourned.

[Whereupon, at 11:17 a.m., the committee adjourned.]

[Prepared questions submitted to Hon. Alan F. Estevez by Chairman Levin prior to the hearing with answers supplied follow:]

QUESTIONS AND RESPONSES

DEFENSE REFORMS

Question. The Goldwater-Nichols Department of Defense Reorganization Act of 1986 and the Special Operations reforms have strengthened the warfighting readiness of our Armed Forces. They have enhanced civilian control and clearly delin-

eated the operational chain of command and the responsibilities and authorities of the combatant commanders, and the role of the Chairman of the Joint Chiefs of Staff. They have also clarified the responsibility of the Military Departments to recruit, organize, train, equip, and maintain forces for assignment to the combatant commanders.

Do you see the need for modifications of any Goldwater-Nichols Act provisions?

Answer. I do not see the need for modifications to any of the Goldwater-Nichols Act provisions at this time. The Goldwater-Nichols Act has cultivated jointness within the Department of Defense (DOD) and has outlined appropriate responsibility to senior leaders within the acquisition and logistics community.

Question. If so, what areas do you believe might be appropriate to address in these modifications?

Answer. N/A.

DUTIES

Question. Section 133a of title 10, U.S.C., describes the role of the Deputy Under Secretary of Defense for Acquisition and Technology (DUSD(AT)).

Assuming you are confirmed, what duties do you expect that the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)) will prescribe for you?

Answer. If confirmed, I expect the USD(AT&L) will assign me duties supporting the roles and missions assigned to him by the Secretary of Defense.

Question. What background and experience do you possess that you believe qualifies you to perform these duties?

Answer. I have over 30 years of experience working in defense establishments. For the last 6 years, I have operated at the most senior levels within the Office of the USD(AT&L), the last 2 as the Assistant Secretary of Defense for Logistics and Materiel Readiness (ASD(L&MR)). Prior to that, I was the Principal Deputy to that position for 5 years. For the last year, with the Principal Deputy AT&L position vacant, I have assisted the USD(AT&L) in managing the full gamut of AT&L issues and responsibilities to include not only acquisition, technology, and logistics matters, but also industrial base issues, installation and military construction issues, and operational energy issues. I have a proven track record as a skilled manager who is able to execute programs to completion and manage change. I have managed complex programs across the defense enterprise, and have worked issues at senior levels across the Federal Government, with Congress, and with industry. I have led the defense logistics enterprise and directed support to our forces in the field as we surged and subsequently drew down in two wars. Simultaneously, I led efforts to lower the costs of logistics. I have played a key role in driving our rapid acquisition support in both Iraq and Afghanistan and ensured the delivery and sustainment of critical capabilities, such as the Mine Resistant Ambush Protected (MRAP) vehicles. I have provided direct oversight to the Defense Logistics Agency (DLA), a \$50 combat support agency, as it has supported our deployed forces, our organic industrial depots, and the American people in disaster relief operations, to include Super Storm Sandy. I have led the DOD efforts to ensure life cycle costs are considered early in major acquisition programs. In short, I have proven my skills in overcoming bureaucratic hurdles to provide needed capabilities to our warfighters at best value for our taxpayers.

Question. Do you believe that there are any additional steps that you need to take to enhance your expertise to perform these duties?

Answer. I believe that my expertise qualifies me to perform the duties of the Principal Deputy Under Secretary for Acquisition, Technology, and Logistics (PDUSD(AT&L)), and that no further steps are needed.

Question. Do you believe that any significant changes should be made in the structure and decisionmaking procedures of DOD with respect to acquisition matters?

Answer. No. I believe that the structure and decisionmaking procedures of the DOD with respect to acquisition matters are sound and efficient, and I do not advise making any changes.

QUALIFICATIONS

Question. If confirmed, you will be responsible for assisting the Under Secretary in the management of an acquisition system pursuant to which DOD spends roughly \$400 billion each year.

What background and experience do you have that you believe qualifies you for this position?

Answer. I have over 30 years of experience operating in the defense establishment, including 10 years as a Senior Executive. Over the last 6 years, I have worked at the most senior levels within the Office of the Secretary of Defense. For the last 4 years, I have been responsible for leading the defense logistics enterprise, providing superb support to our warfighters engaged in combat operations while simultaneously lowering the cost of logistics operations. I have assisted the past three USD(AT&L)s in executing key programs, including enhancing our acquisition life cycle management capabilities and oversight, strengthening our nuclear parts management and oversight, executing operational energy support to provide battlefield flexibility, and driving the rapid acquisition process to provide and sustain capabilities, such as MRAP vehicles to support our deployed forces. I have played a key role in driving efficiencies in our budget, and in properly managing the Department's budget execution, to include supporting our efforts to achieve auditability. I am a proven leader who has demonstrated the skills to manage complex programs and lead change when necessary.

Question. What background or experience, if any, do you have in the acquisition of major weapon systems?

Answer. I have been a senior leader in the Office of the USD(AT&L) for the last 6 years, and I have been an advisor on the Defense Acquisition Board during that time. I have had input to every major defense weapon system acquisition program over that time period. I have been the leader in our efforts to strengthen the Department's policies to ensure sustainability and life cycle costs are considered in defense programs, and I am responsible for the ensuring life cycle sustainment projections are discussed as part of the acquisition process. I initiated the requirement to make the development of a Life Cycle Sustainment Plan part of a Program Manager's responsibilities, and I worked with Congress to designate a Product Support Manager as key program management leader. I have also been a key leader in the Department's rapid acquisition efforts in support of our warfighters. I played a key role in the acquisition, fielding, and sustainment of the MRAP Family of Vehicle program, and led efforts to ensure that the vehicles could be sustained in the field. I also helped to drive the requirements for the rapid acquisition and fielding of the lighter MRAP All-Terrain Vehicle (MATV) and the MRAP wrecker. I have a proven track record of strong, common sense management and the ability to manage and oversee change. These skills will be necessary to manage an acquisition system in an era of declining resources.

RELATIONSHIPS

Question. In carrying out your duties, what would be your relationship with: The Secretary of Defense.

Answer. If confirmed, I will support the Secretary of Defense's priorities in acquisition, technology, and logistics.

Question. The Deputy Secretary of Defense.

Answer. If confirmed, I would support the Deputy Secretary's priorities and direction in matters of acquisition, technology, and logistics.

Question. The Under Secretary of Defense for Acquisition, Technology, and Logistics.

Answer. If confirmed, I will serve as the principal advisor to USD(AT&L). In this role, I will support USD(AT&L) in his priorities and duties and provide counsel, when needed.

Question. The other Under Secretaries of Defense.

Answer. If confirmed, I will work with USD(AT&L) to coordinate actions with the other Under Secretaries to best serve the priorities of the Secretary of Defense.

Question. The Deputy Chief Management Officer of DOD.

Answer. If confirmed, I will assist USD(AT&L) in support of the Deputy Chief Management Officer in the improvement of business operations of DOD.

Question. The DOD General Counsel.

Answer. If confirmed, I will support USD(AT&L) in working with the General Counsel to ensure AT&L actions are legally and ethically within regulations and appropriate statutes.

Question. The Director of Operational Test and Evaluation.

Answer. If confirmed, I will support USD(AT&L) in his work with the Director of Operational Test and Evaluation to ensure appropriate oversight for major defense acquisition programs to assure that acquisitions systems are effective and suitable for combat.

Question. The Director of Cost Assessment and Program Evaluation.

Answer. If confirmed, I will work with USD(AT&L) and the Director of Cost Assessment and Program Evaluation (CAPE) to support CAPE's efforts in providing

the Department with independent cost analysis and resource assessments for defense acquisition programs.

Question. The Assistant Secretary of Defense for Acquisition.

Answer. If confirmed, I will assist the USD(AT&L) and the Assistant Secretary of Defense for Acquisition in providing oversight of Defense acquisition systems and programs while taking into consideration life cycle management costs.

Question. The Assistant Secretary of Defense for Research and Engineering.

Answer. If confirmed, I will work with USD(AT&L) and the Assistant Secretary of Defense for Research and Engineering to ensure DOD develops and incorporates latest technology and innovative capabilities while aiming to reduce cost and risk.

Question. The Assistant Secretary of Defense for Logistics and Materiel Readiness.

Answer. I currently serve as the Assistant Secretary of Defense for Logistics and Materiel Readiness (ASD(L&MR)). If confirmed, I will work with the incoming ASD(L&MR) and USD(AT&L) to provide oversight to DOD logistics programs operations.

Question. The Assistant Secretary of Defense for Operational Energy Plans and Programs.

Answer. If confirmed, I will support USD(AT&L) in his work with the Assistant Secretary of Defense for Operational Energy Plans and Programs to ensure support to the warfighter on the battlefield through energy planning and innovation while mitigating risks and costs.

Question. The Assistant Secretary of Defense for Nuclear and Chemical and Biological Defense Programs.

Answer. If confirmed, I will assist USD(AT&L) in his work with the Assistant Secretary of Defense for Nuclear and Chemical and Biological Defense Programs to protect the United States from nuclear, chemical, and biological threats.

Question. The Assistant Secretary of Defense for Special Operations and Low Intensity Conflict.

Answer. If confirmed, I will assist USD(AT&L) and the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict in their work to provide rapid capabilities to support special operations, counter-narcotics, and stability operations.

Question. The Deputy Under Secretary of Defense for Installations and Environment.

Answer. If confirmed, I will work with the USD(AT&L) and the Deputy Under Secretary of Defense for Installations and Environment to provide installation services that are cost-effective to support the warfighter.

Question. The Deputy Assistant Secretary of Defense for Developmental Testing.

Answer. If confirmed, I will work with USD(AT&L) and the Deputy Assistant Secretary of Defense for Developmental Testing to ensure that independent developmental testing assessments are used in informing acquisition decisions.

Question. The Deputy Assistant Secretary of Defense for System Engineering.

Answer. If confirmed, I will assist USD(AT&L) in his work with the Deputy Assistant Secretary of Defense for Systems Engineering to ensure effective systems engineering throughout the life cycle of Major Defense Acquisitions Programs, and to identify early and address systems engineering gaps and deficiencies.

Question. The Director of Program Assessment and Root Cause Analysis.

Answer. If confirmed, I will support USD(AT&L) in directing the Director of Program Assessment and Root Cause Analysis to ensure comprehensive performance assessments are conducted on all Major Defense Acquisition Programs and that cost and performance issues are identified and resolved as early in the acquisition Milestone timeline as possible.

Question. The Acquisition Executives in the Military Departments.

Answer. If confirmed, I will work with USD(AT&L) and the Service Acquisition Executives to ensure effective oversight and transparency of acquisition programs. Additionally, I will support USD(AT&L) and Service Acquisition Executives to share best practices and incorporate these strategies throughout acquisition programs in the Department and other Service branches.

Question. The Vice Chairman of the Joint Chiefs of Staff.

Answer. If confirmed, I will work with USD(AT&L) in his support of the Vice Chairman of the Joint Chiefs of Staff as an advisor to the Joint Requirements Oversight Council and a member of the Defense Acquisition Board. USD(AT&L) and I will support the Vice Chairman by ensuring that the requirements for acquisitions programs meet the services' missions and are cost-effective.

MAJOR CHALLENGES AND PROBLEMS

Question. In your view, what are the major challenges that will confront the USD(AT&L)?

Answer. The principle challenges I may face as the PDUSD(AT&L) will be providing needed capabilities to defend the country and maintain the best military in the world, as outlined in our Defense Strategy, in a time of declining resources. In the near term, the Nation is still at war, we face the challenge of sustaining and drawing down our forces in Afghanistan, an operation which will be significantly more difficult than our drawdown in Iraq. We also must be able to sustain our readiness across the globe and avoid the pitfalls of a hollow force. We must manage our acquisition programs and our spending to ensure we get the best capability needed at the right cost for the American taxpayer. As military spending declines, we must ensure that our industrial base remains strong and vibrant, and capable of producing the needed innovations to build future military capability. While ensuring we develop the capabilities for our future challenges, we must also incorporate and not forget our hard learned lessons from our 12 years at war, including our ability to rapidly meet warfighter needs and to manage contractors on the battlefield. Finally, we must ensure we have a workforce, both military and civilian, that is trained and motivated to address these challenges. These challenges are exacerbated by the current budget uncertainty and the specter of sequestration.

Question. Assuming you are confirmed, what plans do you have for addressing these challenges?

Answer. If confirmed, I will support the USD(AT&L) to address these challenges. We will continue to provide our warfighters the capabilities they need today to be successful on the battlefield in Afghanistan, while also providing the policies and supporting the processes needed to successfully drawdown.

We will continue to strengthen our management of the acquisition system under our Better Buying Power (BBP) initiative. We will work to control and reduce costs and provide affordable programs to meet our warfighters needs. We will continue to work with industry to provide appropriate incentives—and appropriate revenue—to drive higher productivity and stability, and we will work to identify, and protect, as necessary, our most fragile industry skills and capabilities. We will continue to drive changes in our doctrine and policy to incorporate our lessons related to rapid acquisition and contingency contract management. We will work to strengthen our workforce through training and development, and by rewarding good performance while holding people accountable for poor performance.

ACQUISITION ORGANIZATION

Question. Do you believe that the office of the USD(AT&L) is appropriately structured and staffed to execute its management and oversight responsibilities?

Answer. Yes, I believe the office of the USD(AT&L) is appropriately structured to execute its management and oversight of responsibilities and will ensure that it remains so in the future. I believe we will make some adjustments as we restructure the Deputy Under Secretary positions as required by law.

Question. Do you see the need for any changes in the relationship between the USD(AT&L) and senior acquisition officials in the Military Departments?

Answer. No.

Question. Do you see the need for any additional processes or mechanisms to ensure coordination between the budget, acquisition, and requirements systems of DOD and ensure that appropriate trade-offs are made between cost, schedule, and performance requirements early in the acquisition process?

Answer. I do not currently see the need for any additional processes or mechanisms to ensure coordination between the budget, acquisition, and requirements systems of the Department. The Joint Requirements Oversight Council and the Defense Acquisition Board have helped to ensure this coordination. If confirmed, I will continue to support USD(AT&L)'s priority of using affordability caps to ensure appropriate trade-offs between cost, schedule, and performance requirements are made early in the acquisition process.

Question. What do you believe should be the appropriate role of the Service Chiefs in the requirements, acquisition, and resource-allocation process?

Answer. The Service Chiefs should and do play an integral part of the requirements, acquisition, and resource-allocation process. The Service Chiefs requirements and resource decisions inform the professional acquisition workforce's acquisition decisions and are essential to ensuring that these acquisitions programs are successful from production to fielding and disposal. The Service Chiefs' leadership in the budget and requirements process ensures that the acquisition programs meet the needs of the Services, and are budgeted with the life cycle of the program in mind. I be-

lieve it is essential that our acquisition workforce work with the Service Chiefs to continue to make well-informed decisions.

Question. What do you see as the potential advantages and disadvantages to giving the Service Chiefs authority and responsibility for the management and execution of acquisition programs?

Answer. It is essential that our acquisitions workforce work in tandem with the Service Chiefs. We must recognize the fact that the Service Chiefs are often not acquisition professionals. Their thoughts and guidance are critical in the acquisitions process. However, the management and execution of programs should be done by acquisition professionals who have the necessary training, professional experience, and qualifications.

Question. What do you believe should be the appropriate role of the combatant commanders in the requirements, acquisition, and resource-allocation processes?

Answer. Combatant commanders must identify requirements and capability needs, and they must play a key role in the resource-allocation processes. If confirmed, I will reinforce USD(AT&L)'s goal of working with the combatant commanders in support of their acquisition needs to support wartime operations and evolving threats. The advice and input of the combatant commanders is needed to make sure that acquisitions programs meet their needs in strategic operations.

Question. What improvements, if any, do you believe are needed in the lines of authority and accountability for the procurement of major weapon systems?

Answer. I do not believe any improvements are needed in the lines of authority and accountability for the procurement of major weapons systems. The current process flowing from the Defense Acquisition Executive to the Secretaries of Military Departments to the Service Acquisition Executives and Program Executive Officers to Program Managers is successful so long as trained, competent leaders hold those positions. While I see no need for a current change to this structure, if confirmed, I will work with the USD(AT&L) to review the process to see if changes are needed in the future.

Question. What steps if any will you take, if confirmed, to empower program managers to execute major defense acquisition programs and hold them accountable for how well their programs perform?

Answer. Empowering program managers to effectively and efficiently execute major defense acquisition programs is a priority for USD(AT&L) and, if confirmed, I will support USD(AT&L) in this goal. Section 853 of the National Defense Authorization Act (NDAA) for Fiscal Year 2007 and its subsequent modifications in section 814 of the NDAA for Fiscal Year 2009 required the Department to enhance the role of Program Managers in developing and implementing acquisition programs. The Department has developed a strategy to better educate and train program managers to ensure leadership and program management accountability. This strategy includes formal acquisition training, program reviews, and Milestone Decision Authority forums led by program managers. Program managers should be fully knowledgeable of their programmatic, contractual, and financial details of their programs, and should be able to measure performance against plans and adjust accordingly. BBP 2.0, laid out by USD(AT&L), re-emphasizes the responsibilities of program managers. If confirmed, I will support USD(AT&L) to continue to empower program managers while holding them accountable.

MAJOR WEAPON SYSTEM ACQUISITION

Question. Do you believe that the current investment budget for major systems is affordable given decreasing defense budgets, the historic cost growth trends for major systems, and the continuing costs of ongoing contingency operations?

Answer. There is great uncertainty about future budgets at the present time. While I expect the costs of current contingency operations to decrease in the coming years, the specter of sequestration drive significant additional uncertainty. Without sequestration, the current investment portfolio is affordable. However, if the overall budget decreases more dramatically, it is unlikely the Department could afford the current portfolio of major systems and still maintain balanced risk in other parts of the budget.

Question. If confirmed, how do you plan to address this issue?

Answer. If confirmed, I would work with USD(AT&L) and others to ensure that the Department adheres to a sustainable and affordable investment strategy.

Question. Roughly half of DOD's major defense acquisition programs have exceeded the so-called "Nunn-McCurdy" cost growth standards established in section 2433 of title 10, United States Code, to identify seriously troubled programs. Section 206 of the Weapon Systems Acquisition Reform Act of 2009 (WSARA) tightened the standards for addressing such programs.

What steps if any would you take, if confirmed, to address the out-of-control cost growth on DOD's major defense acquisition programs?

Answer. If confirmed, I will work with USD(AT&L), as part of our BBP efforts, to make affordability and cost control a dominant part of our acquisition culture. I will integrate affordability and cost-consciousness into our decision processes, and enforce affordability caps for both production and sustainment. I will work to appropriately incentivize our industrial base partners through our contracts to promote cost control. I will also work to ensure the Department's requirements, acquisition, and budgeting processes ensure investment decisions are informed by sound affordability constraints. For those programs that do experience unacceptable cost growth, I would work closely with USD(AT&L) and others within the Department to examine all available options, including restructure or termination. Lastly, if confirmed, I would focus on ensuring future programs are started with a sound affordability and technical grounding to reduce the likelihood of future growth in costs.

Question. What steps if any do you believe that the Department should consider taking in the case of major defense acquisition programs that exceed the critical cost growth thresholds established in the Nunn-McCurdy provision?

Answer. I believe the basic requirements of the Nunn-McCurdy provision are sensible in that they require a thorough review of the root causes of the issues, as well as a careful examination of the management of the program, costs and options going forward, and a reassessment of the criticality of the particular program to meeting validated requirements and national security needs. I also believe the Department should continue to undertake similar kinds of reviews well before required to do so by Nunn-McCurdy, and use available authorities to make appropriate adjustments.

Question. Do you believe that the office of the Under Secretary of Defense for Acquisition, Technology, and Logistics, as currently structured, has the organization and resources necessary to effectively oversee the management of these major defense acquisition programs? If not, how would you address this problem?

Answer. Yes.

Question. Do you see the need for any changes to the Nunn-McCurdy provision, as revised by section 206?

Answer. No. As I previously stated, I believe the basic tenets of the Nunn-McCurdy provisions are logical. Consistent with other efforts to streamline reviews in the Acquisition process, if confirmed, I would work with USD(AT&L) to tailor the reviews to meet the requirements of individual circumstances.

Question. What principles will guide your thinking on whether to recommend terminating a program that has experienced critical cost growth under Nunn-McCurdy?

Answer. If confirmed, I would be guided by the principles outlined in the Nunn-McCurdy statute.

OPERATING AND SUPPORT COSTS

Question. The Department estimates that operating and support (O&S) costs account for up to 70 percent of the acquisition costs of major weapon systems. Section 832 of the NDAA for Fiscal Year 2012 requires the Department to take a series of steps to improve its processes for estimating, managing, and reducing such costs.

What is the current status of the Department's efforts to implement the requirements of section 832?

Answer. The provisions of section 832 pertain to authorities vested in both the USD(AT&L) and the Cost Assessment and Program Evaluation Office (CAPE). The two organizations have collaborated on implementing policy that addresses the requirements outlined in section 832 through a major revision of Department of Defense Instruction (DODI) 5000.02, Operation of the Defense Acquisition System, which includes incorporating requirements from sections 805, 815, and 837 of the NDAA. Additionally, the CAPE and AT&L have restructured the Defense Acquisition Guidebook to further emphasize operations and sustainment (O&S) cost management among the acquisition workforce.

Question. What steps remain to be taken to implement section 832, and what is the Department's schedule for taking these steps?

Answer. AT&L will publish section 832 implementation guidance in the DODI 5000.02, Operation of the Defense Acquisition System, in calendar year 2013. In addition, we will supplement the section 832 guidance with an operating and support cost management guidebook to complement the Cost Assessment and Program Evaluation Office Operations and Sustainment (O&S) cost estimating guidebook. This management guidebook will further emphasize the importance of considering O&S cost during system design trades early in a program's life, and assist programs in developing Life Cycle Sustainment Plans that include measures to control O&S cost.

We are updating our guidance on Independent Logistics Assessments to ensure results are unbiased, and that programs use the assessments to improve reliability, availability, maintainability and reduce cost. Further, AT&L will monitor program efforts to manage and control O&S costs during Defense Acquisition Executive Summary reviews. I expect the Department to issue this amplifying guidance later this year.

Question. What steps, if any, are needed to ensure that the requirements and acquisition communities fully and effectively collaborate to understand and control the O&S costs prior to and early in product development, when it is possible to have the most significant impact on those costs?

Answer. The AT&L BBP initiative established an affordability cap requirement for both acquisition costs and Operations and Sustainment (O&S) costs. In so doing, we treat the O&S affordability cap in the same manner as we do a Key Performance Parameter—it will not be traded away against other system requirements. Accordingly, we are seeing positive results in Service-implemented configuration steering boards that facilitate active management of requirements between the acquisition and warfighter communities. With the proper requirements defined, AT&L evaluates a program's capability to meet availability and reliability requirements through milestone reviews and developmental and operational testing. The end result is an improved ability to optimize readiness and costs over a program's lifecycle.

The Product Support Manager (PSM) is a critical facilitator of collaboration between the acquisition and requirements communities. Since the NDAA for Fiscal Year 2010, section 805 established the requirement for PSMs, the Services have designated PSMs for Acquisition Category (ACAT) I and II programs. We also established the PSM as a key leadership position and revised the Life Cycle Logistics training curriculum at Defense Acquisition University to better equip PSMs for success. USD(AT&L) also provided detailed guidance in September 2011 for Program Managers and PSMs on development of the Life Cycle Sustainment Plans (LCSP). The LCSP is the program's primary tool for product support planning and is required for all acquisition milestones. The LCSP must provide the program's plan to satisfy the Joint Capabilities Integration and Development System mandated sustainment requirements, including the O&S cost key system attribute.

Question. What additional steps, if any, do you believe the Department needs to take to bring O&S costs under control?

Answer. We must execute and enforce key steps in the BBP initiative—sustainability, affordability, and cost constraints. We must use “should cost” management to drive costs down, including for sustainment contracts. We must ensure proper alignment of incentives between the government and its contractors. We are integrating policy, guidance, workforce training, and improved oversight of programs to reduce and control Operations and Sustainment (O&S) costs. This integrated approach provides better sustainment planning for those programs in the developmental phases of the acquisition process, a necessary first step to achieve quantifiable savings for programs in the operating and support phases of the life cycle. Our success will be the reduction of actual O&S costs realized in coming years.

SYSTEMS ENGINEERING

Question. One of the premises for WSARA was that the best way to improve acquisition outcomes is to place acquisition programs on a sounder footing from the outset by addressing program shortcomings in the early phases of the acquisition process.

Do you believe that DOD has the systems engineering and developmental testing organizations, resources, and capabilities needed to ensure that there is a sound basis for key requirements, acquisition, and budget decisions on major defense acquisition programs?

Answer. Yes. The Department has put emphasis on building the systems engineering and developmental testing capabilities required for acquisition. The numbers of system engineers and developmental testing personnel has increased. There is a potential challenge with workforce demographics as senior workforce personnel near retirement and a number of relatively junior people gain more experience and proficiency. If confirmed, I will strive to identify ways to address this problem.

Question. What is your assessment of the Department's implementation to date of section 102 of WSARA, regarding systems engineering?

Answer. In response to section 102, the Department established the Office of the Deputy Assistant Secretary of Defense for Systems Engineering, and has staffed this office with highly qualified professionals. There has also been additional guidance and oversight provided to the systems engineering capabilities in the Military

Services. If confirmed, I will continue to support the Deputy Assistant Secretary of Defense for Systems Engineering in his oversight of this area.

Question. What additional steps will you take, if confirmed, to implement this provision?

Answer. I will work with the Service Acquisition Executives to implement systems engineering policy and guidance to strengthen implementation of section 102. We need to continue to address the competency, capacity, and authority of the systems engineering workforce as critical components of the acquisition system

OPEN ARCHITECTURE PROGRAMS

Question. Certain programs within DOD have made considerable investments over the past several years in an effort to transition development of combat systems to an open business model, commonly referred to as Open Architecture (OA). OA systems are characterized by modular design, public access to design specifications, software reuse, common interface standards, and seamless interoperability between system hardware and software applications. By exercising the government's rights to the software developed with government funds, rejecting proprietary and closed solutions, the government may be able to bring to bear the critical elements of competition and innovation to achieve improved system performance and affordability of major systems both during the initial acquisition and during the sustainment phase.

To what extent do you believe that DOD implementation of an open architecture strategy can lead to more efficient and effective development, production and sustainment programs for major weapon system acquisition?

Answer. I believe the Department must strongly promote competition throughout the acquisition lifecycle to obtain the best value for the warfighter at the lowest cost to the taxpayer. To support a competitive environment, the Department has been aggressively pursuing open systems architecture (OSA) as a means of opening our acquisition efforts to greater competition, as well as more effectively managing intellectual property to rapidly bring greater innovation, from a wider array of sources, to the hands of our warfighter.

I support the Department focus on open systems architectures and believe we must do a better job of creating options with approaches like this to promote competition throughout the product lifecycle. Promoting OSA business and technical best practices is one aspect of BBP 2.0, and the Department is developing tools and guidance to ensure that OSA practices are effectively applied.

Question. Are you aware of any legislative or regulatory impediments to more broadly applying such a strategy?

Answer. I am not aware of any legislative or regulatory impediments that inhibit implementing the DOD OSA strategy. The Department is working on implementing the legislative authority given us in the last NDAA for rights to data associated with segregation and reintegration information. I believe this is a positive change that will be especially helpful in crafting competitive open business models.

TECHNOLOGICAL MATURITY

Question. Section 2366b of title 10, U.S.C., requires the Milestone Decision Authority for a major defense acquisition program to certify that critical technologies have reached an appropriate level of maturity before Milestone B approval.

What steps if any will you take, if confirmed, to make sure that DOD complies with the requirements of section 2366b?

Answer. If confirmed, I would support USD(AT&L) in his role as chair of the Defense Acquisition Board (DAB) and Milestone Decision Authority (MDA) for Major Defense Acquisition Programs in fulfilling this requirement.

Question. What steps if any will you take to ensure that the Assistant Secretary of Defense for Research and Engineering and the Deputy Assistant Secretary of Defense for Developmental Test and Evaluation are adequately staffed and resourced to support decisions makers in complying with the requirements of section 2366b?

Answer. If confirmed, I will continuously monitor the staffing levels for the Assistant Secretary of Defense for Research and Engineering and the Deputy Assistant Secretary of Defense for Developmental Test and Evaluation to ensure they can comply with their requirements, to include those tasks to certify critical technologies for major defense acquisition programs as written in title 10, U.S.C., section 2366b. To date, I am not aware that these offices have been unable to meet their statutory requirements, but I will be vigilant to ensure they will be able to continue meeting this requirement.

CONCURRENCY

Question. Some of the Department's largest and most troubled acquisition programs appear to have suffered significantly from excessive concurrency—the effort to produce a weapon system, even as it is still being designed.

What impact do you believe that such excessive concurrency has on our efforts to produce major weapon systems on schedule and on budget?

Answer. While some degree of concurrency may be appropriate, I believe that when the proper balance is exceeded the result can increase costs and lead to schedule delays. Any decision to concurrently enter into production while still in the design phase must take into account the risk in the development phase, the urgency of the need, and the impact on cost and schedule as a result of concurrent development. If confirmed, I will strive to ensure a careful balance is established between the risk of concurrency and the urgency for the need for programs that use it.

Question. What steps will you take, if confirmed, to address this issue?

Answer. If confirmed, I intend to ensure that concurrency in any planned major weapon system is thoroughly assessed from a risk and benefit perspective before recommending the program for initiation, and then re-evaluate the risks and benefits for each major program decision. I expect cost and schedule estimates to clearly identify the impact of any level of concurrent development and production. I will also ensure that the risks are carefully tracked over the life of the development effort.

JOINT STRIKE FIGHTER

Question. Secretary Kendall has been quoted as saying that it was “acquisition malpractice” to place the Joint Strike Fighter into production years before the first flight test.

Do you share this view?

Answer. Yes, I share Under Secretary Kendall's view. Specifically, the decision to begin production of the F-35 prior to flight test was a departure from accepted and proven principles. As Under Secretary Kendall has clarified, it is important to note that this judgment does not extend to the F-35 program as a whole or any specific person. The Department remains committed to the F-35 program and the program, if appropriately managed, the program will provide the Department to acquire a critical capability at an acceptable cost.

Question. What steps if any do you believe that we can take now to address any problems or deficiencies that may have developed as a result of excessive concurrency on the Joint Strike Fighter program?

Answer. I believe that the Department has already taken a number of steps that will minimize the risks of concurrency. The decision to maintain production at a fixed rate in fiscal years 2013 and 2014 will allow time to validate and stabilize the design through the flight test program. A ramp up in production is not planned until the need for further design changes are reduced. The Low Rate Initial Production Lot 5 contract has been structured to ensure the appropriate amount of cost risk is shared between the contractor and the Government. If confirmed, I will ensure that future production decisions are based on adequate understanding of the concurrency, costs, and design stability.

Question. What additional steps if any do you believe we should take to avoid similar problems in future acquisition programs?

Answer. I believe we need to pursue acquisition strategies based on the sound principles of program management and system engineering. If confirmed, I will ensure that the acquisition and engineering professional leadership in the Department reviews major programs early and regularly to preclude planning that is overly optimistic in assumptions. I believe that a program based on sound acquisition and engineering strategies will have the best chance to succeed and execute within planned cost and schedule.

FIXED PRICE-TYPE CONTRACTS

Question. Section 811 of the NDAA for Fiscal Year 2013 requires the use of fixed-price contracts for the production of major weapon systems, with limited exceptions. Similarly, section 818 of the NDAA for Fiscal Year 2007 establishes a preference for the use of fixed-price contracts for the development of major weapon systems.

What is your understanding of the advantages and disadvantages of using fixed-price contracts for the development and procurement of major weapon systems?

Answer. The decision to use a fixed price or cost plus contract for development and/or procurement of a major weapons system should be based on an understanding of the requirement, the technical risk, supplier experience and strength,

and the market for the product. Fixed price contracts limit the Government's exposure to financial risk, but introduce other risks.

Development fixed-price contracts make sense where we have firm requirements with technical trades complete, where design is established and required technologies are mature (low risk), where potential bidders have actual experience with the type of product desired and where they have the capacity to absorb some level of financial loss if problems arise. In this instance it is appropriate to place the financial burden on industry. The disadvantage is if the development effort experiences problems, there can be serious financial impact for the contractor. Further, because of the fixed price nature of the arrangement, it is much more difficult for the Government to provide technical guidance without having to renegotiate the contract.

For procurement I'm much more comfortable with fixed price contracts provided there has been sufficient development and testing to have firm requirements, a proven design, established manufacturing processes and qualified suppliers. Use of incentive contracts in early production especially makes sense.

Question. Under what circumstances, if any, do you believe it is appropriate for the Department to use a cost-type contract for the development or production of a major weapon system?

Answer. Since most major weapon system development programs deal with maturing designs and significant integration problems, the factors I listed in the above question are not present and a fixed price development contract imposes too much risk on industry. A cost plus contract, on the other hand, reduces the financial risk and helps facilitate a more open working relationship with industry to achieve the desired outcome for the warfighter.

Question. Do you see the need for any changes in the law governing the use of fixed-price contracts for the development and production of major weapon systems?

Answer. No. The Federal Acquisition Regulation and the DOD Federal Acquisition Regulation Supplement already provide adequate flexibilities.

TECHNOLOGY TRANSITION

Question. The Department continues to struggle with the transition of new technologies into existing programs of record and major weapons systems and platforms. Further, the Department also has struggled with moving technologies from DOD programs or other sources rapidly into the hands of operational users.

What impediments to technology transition do you see within the Department?

Answer. Over the past 2 years, as part of Deputy Secretary of Defense's Warfighter Senior Integration group, I have seen improvements in transitioning technology to the hands of the operator. However, there are still impediments, such as the lead time and rigidity of the budget process, the formality and inflexibility associated with Programs of Record, the difficulties in altering military requirements, and the hurdles small businesses and non-defense companies have in doing business with the Government.

Question. What steps if any will you take, if confirmed, to enhance the effectiveness of technology transition efforts?

Answer. There are already a number of activities underway in the Department to enhance the effectiveness of technology transition. The rapid acquisition programs that the Department has initiated to support ongoing operations have been very successful at acquiring new technologies and fielding them quickly.

The Department needs to institutionalize the rapid acquisition process so that future urgent needs can also be met effectively, and efforts are underway for expanding the rapid acquisition of Joint Urgent Operational Needs (JUONs) from primarily off the shelf technology to those that require some limited development time and may not be directly associated with ongoing operations.

Under the BBP initiatives, the Department has taken steps to improve the use of open systems and open architectures as a means of permitting new technologies to be inserted into existing programs. These are just examples of the types of steps the Department needs to take to improve technology transition.

If confirmed, I will work with the USD(AT&L) and Assistant Secretary of Defense for Research and Engineering to drive additional opportunities to enhance technology transition.

Question. What role do you believe Technology Readiness Levels and Manufacturing Readiness Levels should play in the Department's efforts to enhance effective technology transition and reduce cost and risk in acquisition programs?

Answer. Technology and Manufacturing Readiness Levels (TRLs and MRLs) are aids to understand how the maturity of technologies or the lack of maturity can affect an acquisition programs risk. I believe they are valuable knowledge-based

benchmarks against which to assess program risk, but I also believe that TRLs and MRLs alone are not conclusive about whether or not a program should proceed to development and production. Each decision requires an understanding of the actual risk associated with a technology, and the steps that could be taken to mitigate that risk. If confirmed, I will continue to use TRLs and MRLs, but I will also seek to improve how we handle risk assessments early in programs.

Question. Section 1073 of the NDAA for Fiscal Year 2011 established a competitive, merit-based rapid innovation fund to accelerate the fielding of technologies developed pursuant to SBIR projects, technologies developed by the defense laboratories, and other innovative technologies.

What is your view of the rapid innovation fund established by section 1073?

Answer. This program emphasizes rapid, responsive acquisition with preference to small, innovative businesses solving defense problems using a fully merit-based, competitive proposal process. In September 2011, the Department issued the initial solicitations for Rapid Innovation Fund (RIF) proposals, receiving over 3,500 responses, which lead to awards of 177 contracts by the end of September 2012. Given that the performance period for the majority of these contracts spans 18–24 months, my view is that it is too early to determine the RIF's overall impact. Our implementation processes were successful in obtaining proposals, primarily from small businesses. However, contract awards should not be the sole criteria for success. I believe it will take more time to objectively assess the effectiveness of RIF in achieving its goals.

Question. In your view, has the Department been successful in ensuring that awards under this program are made on a merit basis and benefit the Department?

Answer. Yes, the Department successfully established a merit-based Rapid Innovation Fund (RIF) program. The Department employed Broad Agency Announcements in 2011 and 2012 for a competitive, two-step source selection process. This facilitated submission of white papers, with a “go/no go” evaluation, followed by request for full proposals to the highest rated “go” proposals. All vendors received a notification. With regard to program benefit, it will be at least 12–24 months before the Department can effectively evaluate the outcome and benefits of RIF. However, owing to the in-depth involvement by acquisition program staff in evaluation of RIF proposals, I expect substantial benefits to be demonstrated.

UNREALISTIC COST, SCHEDULE, AND PERFORMANCE EXPECTATIONS

Question. Many acquisition experts attribute the failure of DOD acquisition programs to a cultural bias that routinely produces overly optimistic cost and schedule estimates and unrealistic performance expectations. Section 201 of WSARA seeks to address this problem by promoting early consideration of trade-offs among cost, schedule, and performance objectives in major defense acquisition programs.

Do you believe that early communication between the acquisition, budget and requirements communities in DOD can help ensure more realistic cost, schedule, and performance expectations?

Yes, early communication between these three communities is essential at all levels.

Question. If so, what steps if any would you take, if confirmed, to ensure such communication?

Answer. If confirmed, I would reinforce existing efforts in the area of early communication between the communities. I will work with the component acquisition executives to stress the importance of their participation in similar early discussions for all acquisitions in their organizations. I will also stress the need to forge closer collaboration and understanding between those articulating military needs and those charged with fulfilling those needs. After early consideration of cost and capability trade-offs, I will strive to sustain stable programs through mechanisms such as Configuration Control Boards, and other forums where requirement, acquisition, and financial communities can interact usefully to achieve affordable and realistic outcomes. I will also foster training that inculcates these approaches into the culture of our workforce.

Question. DOD has increasingly turned to incremental acquisition and spiral development approaches in an effort to make cost, schedule and performance expectations more realistic and achievable.

Do you believe that incremental acquisition and spiral development can help improve the performance of the Department's major acquisition programs?

Answer. Yes, but I recognize this is not a panacea, and how these approaches are applied to a particular situation requires careful deliberation. The strategy can be effective when faced with technology that is rapidly changing or we are faced with an evolving threat. It can also allow the fielding of a capability to the force that

is “good enough” in the short-term, while continuing to advance a new technology to upgrade the system to provide the warfighter with a technical advantage long-term.

Question. What risks do you see in the Department’s use of incremental acquisition and spiral development?

Answer. Applied appropriately, in the right circumstances, these approaches should not add additional risk. Technical risk can be minimized with a design that allows for incremental addition of capability, but this must be inherent in the program plans from the outset so that upgrades to the final configuration are as seamless as possible, or rolled into the product as changes in the production sequence. These approaches require careful consideration of technical rights, open or commercial standards, and interface requirements. If requirements are not clearly defined early in the effort, schedules are not realistic and resources are not provided in the required amount and with the proper phasing, the acquisition will take longer, cost more, and deliver less, regardless of the program’s execution method.

Question. In your view, has the Department’s approach to incremental acquisition and spiral development been successful? Why or why not?

Answer. I believe that the Department’s approach to incremental acquisition and spiral development has had varied results. As with any approach, there are examples of both effective and ineffective employment of this type of acquisition process in the Department’s history. It has been more challenging than expected in certain cases to “pre-plan” future spirals of capability. Employed carefully, in the right circumstances, these approaches can be successful and if confirmed, I would work to achieve that.

FUNDING AND REQUIREMENTS STABILITY

Question. The poor performance of major defense acquisition programs has also been attributed to instability in funding and requirements. In the past, DOD has attempted to provide greater funding stability through the use of multi-year contracts. Section 814 of the NDAA for Fiscal Year 2009 requires the use of Configuration Steering Boards to exercise control over any changes to requirements that would increase program costs.

Do you support the use of Configuration Steering Boards to increase requirements stability on major defense acquisition programs?

Answer. Yes. Activities such as Configuration Steering Boards provide a leadership forum to review proposed changes to programs in terms of requirements, technology, or system configuration with the intent to preclude adverse program impacts on cost or schedule. If confirmed, I will continue to emphasize the positive aspects of Configuration Steering Boards and other similar forums.

Question. What other steps if any would you recommend taking to increase the funding and requirements stability of major defense acquisition programs?

Answer. If confirmed, I will work with senior leaders in DOD to strive to maintain funding and requirement stability to the maximum extent possible. The acquisition, requirements, and resource communities must work together to ensure programs have realistic requirements and funding profiles at inception, and must continue to work effectively together as programs execute throughout the lifecycle.

MULTI-YEAR CONTRACTS

Question. The statement of managers accompanying section 811 of the NDAA for Fiscal Year 2008 addresses the requirements for buying major defense systems under multi-year contracts as follows: “The conferees agree that ‘substantial savings’ under section 2306b(a)(1) of title 10, U.S.C., means savings that exceed 10 percent of the total costs of carrying out the program through annual contracts, except that multi-year contracts for major systems providing savings estimated at less than 10 percent should only be considered if the Department presents an exceptionally strong case that the proposal meets the other requirements of section 2306b(a), as amended. The conferees agree with a Government Accountability Office (GAO) finding that any major system that is at the end of its production line is unlikely to meet these standards and therefore would be a poor candidate for a multi-year procurement contract.”

If confirmed, under what circumstances, if any, do you anticipate that you would support a multi-year contract with expected savings of less than 10 percent?

Answer. Though each situation is different, I believe that multi-year contracts can provide substantial cost savings and should be considered as an option to best serve the warfighter and taxpayer. Key considerations would be the total savings that could be achieved and the firmness of the procurement plan. While 10 percent or more is the goal, it should not be an absolute standard; a lesser percent on a large

procurement still yields significant dollar savings for the Department. If the Department is confident that the procurement is needed during the time period, then every opportunity for potential savings and increasing buying power will be critical in balancing the Department's budget as budgets decline.

Question. If confirmed, under what circumstances, if any, would you support a multi-year contract for a major system at the end of its production line?

Answer. I would have to review the merits of the particular situation since these are complex circumstances without simple answers, and there may be times it may be appropriate. In general, I would look for the total savings potential and stability in the planned procurement.

Question. What are your views on multi-year procurements? Under what circumstances do you believe they should be used?

Answer. I believe multi-year procurements are beneficial if they provide significant savings to the taxpayer, and there is a firm commitment to the planned procurement to provide stability to the industrial base. The circumstances and risks of each case need to be weighed carefully on the individual merits, but the magnitude of the savings and the expected stability of the program are among primary considerations.

Question. Under what circumstances, if any, should DOD ever break a multi-year procurement?

Answer. I would expect such a circumstance to be very unusual, but in the rare situation when it occurs, it could be an outcome of a decision to not to fund a program due to unanticipated budget cuts forcing the Department to reprioritize, an inability of the contractor to perform so another supplier must be arranged for, or an unanticipated threat that makes the program unneeded. If confirmed, I would continue to support the Federal laws and defense contracting regulations concerning multi-year procurement.

CONTINUING COMPETITION AND ORGANIZATIONAL CONFLICTS OF INTEREST

Question. Section 202 of WSARA requires DOD to take steps to promote continuing competition (or the option of such competition) throughout the life of major defense acquisition programs.

What is your view on the utility of continuing competition as a tool to achieve long-term innovation and cost savings on major defense acquisition programs?

Answer. Competition is the Department's most effective tool to reduce prices, and DOD should use direct competitive acquisition strategies whenever possible. Competition allows the Department to leverage innovation, science and technology, design, and drive efficiency through a program's lifecycle, providing a stronger return on investment. The Department should attempt to use this paradigm as much as possible in its programs and contracting strategies. Using the BBP initiatives, we have stressed the need for a competitive environment to the greatest extent possible in all our programs, realizing the classical head to head competition situation is not always viable. If confirmed, I will work with USD(AT&L) to continue to stress creating a competitive environment as one of the most effective ways the Department has of controlling cost.

Question. Do you believe that such continuing competition is a viable option on major defense acquisition programs?

Answer. Yes, creating competition at both the prime and sub-contract level is among one of the most powerful tools available to the Department to drive productivity and control cost. To ensure that competition is emphasized during each phase of the acquisition process, the Department has issued policy requiring our Program Managers to present a competition strategy at each program milestone. If confirmed, I will work with USD(AT&L) and Component Acquisition Executives to ensure this policy is effectively executed.

Question. In your view, has the consolidation of the defense industrial base gone too far and undermined competition for defense contracts?

Answer. The consolidation of the defense industrial base has left us with a limited number of prime contractors. Further consolidation at the prime contractor level is probably not in the best interest of the taxpayer or the Department. If confirmed, I will review any proposed business deal objectively on its merits and provide my input to the USD(AT&L). I expect to see increased activity in mergers and acquisitions in the lower tiers of the industrial base, and even consolidations to further streamline capabilities and respond in a market-driven manner to the reduced budgets anticipated over the coming decade. The USD(AT&L) and I will examine these transactions carefully on a case-by-case basis to preserve competition and facilitate the most efficient and effective industrial base possible.

Question. If so, what steps if any can and should DOD take to address this issue?

Answer. The Department's policy is to allow market forces to shape the market except in those cases that eliminate competition and are not ultimately in the best interest of the Department and taxpayer. The Department discourages mergers and acquisitions among defense materiel suppliers that are anti-competitive or injurious to national security. The Department is not, however, an antitrust regulator and the ability for the other regulatory agencies to intervene must meet statutory criteria. In cases of concern, I would ensure the Department provides information and support needed to the antitrust regulators for their merger reviews. I would also seek to encourage new entrants or exploration of alternatives in cases where consolidation has resulted in a loss of competition.

Question. Section 203 of WSARA requires the use of competitive prototypes for major defense acquisition programs unless the cost of producing such prototypes would exceed the lifecycle benefits of improved performance and increased technological and design maturity that prototypes would achieve.

Do you support the use of competitive prototypes for major defense acquisition programs?

Answer. Yes. Competitive prototyping can be an effective mechanism for maturing technology, refining performance requirements, and improving our understanding of how those requirements can drive systems acquisition costs. They should be used primarily as a means of reducing future risk in the Engineering and Manufacturing Development (EMD) and production phase. There are cases however when the cost in time and money associated with competitive prototypes outweighs the potential benefits.

Question. Under what circumstances do you believe the use of competitive prototypes is likely to be beneficial?

Answer. Competitive prototyping is risk reduction; however, this comes with a tradeoff of cost and schedule. Like all other risk reduction techniques, competitive prototyping has to be considered on a case-by-case basis and it has to reduce the risk of entering Engineering and Manufacturing Development (EMD). The level of risk depends on the maturity of candidate technologies, and more importantly, the risk associated with integrating those technologies into a viable product. When planned or proposed technology has implementation risk, particularly in an integrated product, and has not been demonstrated adequately, competitive prototyping during the technology development phase can be a key element of a comprehensive technical risk management process. Overall, competitive prototyping can provide benefits beyond risk reduction to include sustaining competition further into the design process, reducing total program cost, and lead to better products for our warfighters.

Question. Under what circumstances do you believe the cost of such prototypes is likely to outweigh the potential benefits?

Answer. In cases where the material solution is based on mature technologies and demonstrated designs with little integration risk, the additional costs, and schedule of competitive prototyping may not offset the potential reduction of risk and overall system lifecycle costs. Prototypes requiring very high investments with the prospect of very limited production runs are also not likely to be cost effective. For example, competitive prototyping of ships and satellites is frequently cost-prohibitive, both in a Technology Demonstration phase and in Engineering and Manufacturing Development phase. When a low risk approach is taken such as using a modified non-developmental item the benefits of competitive prototyping may not justify the cost.

IMPLEMENTATION OF THE WEAPON SYSTEMS ACQUISITION REFORM ACT OF 2009

Question. Several new major weapons programs have been started since the WSARA was enacted. Examples include the *Ohio*-class Submarine Replacement Program, the KC-46 Aerial Refueling Tanker Replacement Program, the VXX Presidential Helicopter Replacement Program, and the Ground Combat Vehicle Program.

In your view, how effectively have such "new start" major defense acquisition programs abided by the tenets, and implemented the requirements, of the WSARA, particularly those that address "starting programs off right" by requiring that early investment decisions be informed by realistic cost estimates, sound systems engineering knowledge, and reliable technological risk assessments?

Answer. I believe the Department has abided by the tenets and effectively implemented the requirements of WSARA in each of its "new start" programs begun since WSARA's enactment. The certifications required by WSARA provide a means to enforce each program's implementation. Each of the new start programs cited above received careful attention to develop well understood and technically achievable requirements with a sharp focus on affordability. I strongly believe that the keys to

successful program execution are sound and realistic planning at program initiation, which are fundamental principles embodied in WSARA.

Question. Where do you think there might be room for improvement?

Answer. I believe WSARA provides adequate guidance and authority without the need for changes at this time. If confirmed, I will support USD(AT&L) and ensure the “new start” programs implement WSARA and BBP initiatives to maximize the program’s probability of successfully delivering affordable, technically sound capability to the warfighter and the taxpayer. Fundamentally, the BBP initiatives that Deputy Secretary Carter and Under Secretary Kendall started are based on the premise that the Department can learn from experience and continuously improve. If confirmed, I will work to identify and implement continuous improvements to the acquisition system.

THE BETTER BUYING POWER INITIATIVE

Question. DOD’s Better Buying Power initiative provides acquisition professionals with important guidance on how to achieve greater efficiency, enhanced productivity, and affordability in how the Department procures goods and services.

If confirmed, what steps if any will you take to follow-through on this guidance and ensure that it is implemented as intended?

Answer. I will work closely with USD(AT&L) on a daily basis as we continue to pursue the efficiency, productivity, and affordability initiatives started in 2010 under BBP. The BBP initiatives are not static, they are under continuous review and are being modified, added to, and matured as the Department learns more from its experience with the initiatives. If confirmed, I will follow-through on implementation of the initiatives and carefully consider additional steps consistent with the principles and objectives of the initiatives.

Question. What steps do you believe the Department should take to strengthen and improve the implementation of the BBP initiative?

Answer. The Department is fully dedicated to the successful implementation of BBP. Under Secretary Kendall recently introduced BBP 2.0 as part of the Department’s commitment to continuous process improvement in the defense acquisition system. Many of the initiatives encompassed in BBP 2.0 are continuations from earlier BBP initiatives begun in 2010, because their implementation is long-term and ongoing. If confirmed, I will work closely with USD(AT&L), the Component Acquisition Executives, and others in the Department to monitor and drive the implementation of these initiatives, as well as identify additional ways to improve implementation. I will ensure we update appropriate policies and regulations, issue additional guidance, update training, and institute data collection mechanisms to objectively assess outcomes.

URGENT AND EMERGING NEEDS

Question. Section 804 of the NDAA for Fiscal Year 2011 required the Department to establish procedures to ensure that rapid acquisition processes are not misused for the acquisition of systems and capabilities that are not urgent and would be more appropriately acquired in accordance with normal acquisition procedures.

Do you agree that rapid acquisition procedures are not generally suited to the acquisition of complex systems that require substantial development effort, are based on technologies that are unproven, and are too risky to be acquired under fixed price contracts?

Answer. I agree that rapid acquisition procedures are not generally intended for programs of the complexity normal for a standard developmental acquisition program. The Department reserves rapid acquisition procedures for urgent requirements where a capability must be delivered as soon as possible, but generally within 24 months. These programs, by their nature, are not sustained development programs. They generally have limited cost risk as compared to traditional major development efforts, and if a nondevelopmental solution exists, it makes sense to acquire that solution in order to meet warfighter needs as soon as possible. However, for many Joint Urgent Operational Needs (JUONs) and Joint Emergent Operational Needs (JEONs), some modification, integration, or development of existing products is required to satisfy the requirement. Not all of these programs are suitable for fixed price contracts because they often utilize small, non-traditional suppliers who are not capable of absorbing the cost risks.

These issues are considered when the requirement is initially validated, and the acquisition community continues to review them as the program progresses to ensure that we meet warfighter requirements in as timely way wherever possible. There may also be exceptional cases where a technological leap by an adversary may call for taking unusual risks not normally typified under rapid acquisition pro-

cedures. If confirmed, I will review the Department's use of rapid acquisition procedures to ensure that they are being properly applied.

Question. DOD recently established a new category of requirement, known as Joint Emergent Operational Needs (JEON). Like JUONs, JEONs may be acquired through rapid fielding processes. Unlike JUONs, however, JEONs are not limited to capabilities that can be fielded within 2 years, do not require extensive development, are based on proven technologies, and can be appropriately acquired through fixed price contracts. The committee report on the NDAA for Fiscal Year 2013 directs the Department to develop additional protections to ensure that the JEON process is not abused.

Would you agree that it would be inappropriate to use the JEON process to initiate significant acquisition programs without conducting cost-schedule-performance trade-offs, developing reasonable cost, schedule, and performance expectations, providing strong systems engineering, and ensuring the use of appropriately mature technologies?

Answer. In general, I agree that a JEON is not intended as a mechanism to initiate a Major Defense Acquisition Program. There may be exceptions in which a rapid development initiated as a JEON (or even a Joint Urgent Operational Need (JUON)) could lead to significant acquisition programs. For example, route clearance vehicles acquired in response to a JUON provided the first V-shaped hulled vehicles to Iraq and Afghanistan. Their success in theater led to the initiation of additional JUONs that resulted in a significant acquisition program—the MRAP class of vehicle.

I understand that it is important to evaluate cost, schedule and performance trade-offs for JEON solutions because doing so is critical to responding to these requirements in a way that is consistent with their urgency. Systems engineering, cost and performance tradeoffs, and addressing technical maturity for JEONs, within the time available, is critical to ensuring we deliver sufficient capability when it is needed. The Department tailors its acquisition processes to ensure we address these important considerations while meeting the warfighter's immediate need. If confirmed, I will review the Department's handling of JEONs to ensure the appropriate procedures are in place and are being followed.

Question. If confirmed, will you ensure that the Department develops additional guidance for JEONs, in accordance with the direction of the committee report on the NDAA for Fiscal Year 2013?

Answer. Yes.

CONTRACTING FOR SERVICES

Question. By most estimates, the Department now spends more for the purchase of services than it does for products (including major weapon systems). After a decade of rapid growth, section 808 of the NDAA for Fiscal Year 2012 placed a cap on DOD spending for contract services for fiscal years 2012 and 2013. Section 955 of the NDAA for Fiscal Year 2013 requires a 5 percent reduction in spending for contract services over the next 5 years.

Do you believe that DOD can do more to reduce spending on contract services?

Answer. Yes, that is why I strongly support USD(AT&L) and Department leadership in continuing to make this a priority as indicated in USD(AT&L)'s November 13, 2012, memorandum entitled, "Better Buying Power (BBP) 2.0: Continuing the Pursuit for Greater Efficiency and Productivity in Defense Spending". Through the initiatives that began under the original BBP in 2010, BBP 2.0 will focus on initiatives to improve our stewardship over service contracts, while ensuring the Department only acquires what it truly needs as economically as possible.

Question. Do you believe that the current balance between government employees (military and civilian) and contractor employees is in the best interests of DOD?

Answer. I believe the Department must routinely assess its Total Force mix to ensure an appropriate alignment of workload to military, civilian, and contract support. This alignment is driven by many variables, it takes time to rebalance, and is likely to change based on mission, operating environment, workload, and costs. I think we must ensure that we have a properly sized and highly capable government workforce that guards against an erosion of critical, organic skills and an over-reliance on contracted services, particularly in such areas as acquisition program management, information technology, and financial management. However, the Department must also recognize the contributions and value of the private sector as a vital source of expertise, innovation, and support to the Department's Total Force. If confirmed, I will continue to support the administration's and Department's focus on ensuring our utilization of contracted support is appropriate given the nature of the mission, risks, and work required.

Question. What steps if any would you take, if confirmed, to control the Department's spending on contract services and ensure that the Department complies with the requirements of section 808 and section 955?

Answer. USD(AT&L) is continuing to make the acquisition of services a priority as part of his broader BBP initiatives. Through the initiatives that began under the original BBP in 2010, there will be a focus on initiatives to improve our stewardship over service contracts. If confirmed, I will support every effort to continue the Department's effort to comply with the requirements of sections 808 and 955. The Deputy Secretary of Defense has issued guidance to the Department on how to comply with the limitation on funds for contracted services imposed by section 808. Subsequently, a class deviation to the Defense Federal Acquisition Regulation Supplement (DFARS) implementing that guidance has been issued on July 31, 2012.

Question. Would you recommend the use of fixed price contracts as the preferred contracting method for services? If not, why not?

Answer. I would recommend that for service requirements that can be expressed in performance-based terms, with a defined output, the Department use fixed-priced contracts as the preferred method. However, contract type must be tailored to each particular requirement in order to influence desired results with the contracted service provided. For example, where contracted support is level of effort in nature, with no defined output, a cost plus fixed fee arrangement may likely be an appropriate approach. If confirmed I will support efforts to continue to address the determination of appropriate contract type as a key element of consideration in the review and approval process of acquisition strategies for service requirements.

Question. Under what circumstances do you believe that fixed price contracts should or should not be used for the purchases of services?

Answer. I would recommend fixed price contracts be used for work that can be expressed in performance-based terms that has a defined output.

Question. Section 812 of the NDAA for 2007 required DOD to develop a management structure for the procurement of contract services. Sections 807 and 808 of the NDAA for Fiscal Year 2008 (subsequently codified in section 2330a of title 10, U.S.C.) require DOD to develop inventories and conduct management reviews of contracts for services.

Do you believe the Department is providing appropriate stewardship over service contracts?

Answer. Yes I do, but recognize there is room for further improvement in the Department's stewardship. If confirmed, I would strongly support USD(AT&L) and Department leadership in continuing to make this a priority in the BBP initiatives, which focus on initiatives to improve our stewardship over service contracts.

Question. Do you believe that the Department has appropriate management structures in place to oversee the expenditure of more than \$150 billion a year for contract services?

Answer. Yes, though they can continue to be improved and expanded upon. The Military Departments, DLA, and the Missile Defense Agency, which have the largest portion share of the Department's expenditures on the acquisition of services, have identified a Senior Service Manager who is responsible for overseeing all acquisition of services. These Senior Service Managers are responsible for identifying and implementing more effective methods to procure required services and meeting on a regular basis to share lessons learned and best practices. Each of these Senior Service Managers has developed its own organizational structure and mechanisms to provide the appropriate oversight, management structure and review process for the acquisition of services. In addition, all acquisitions for services which exceed \$1 billion are reviewed and approved by the Director, Defense Procurement and Acquisition Policy and his staff to ensure that the strategy incorporates tenets the Department has established as requirements for the effective acquisition of services.

Question. Do you support the use of management reviews, or peer reviews, of major service contracts to identify "best practices" and develop lessons learned?

Answer. Yes, I believe that the Peer Review process that the Department has employed on the acquisition of services implemented for service contracts, and other major acquisitions, has been extremely beneficial. For acquisitions of services valued at \$1 billion or more, a Peer Review team, comprised primarily of senior leaders and attorneys from outside the military department or defense agency whose procurement is the subject of the review, meet with acquisition teams to critically assess whether the acquisition process for services was well understood by both government and industry individuals. Similarly, military departments and defense agencies have developed and are executing plans to accomplish Peer Reviews within their respective organizations for acquisitions valued at less than \$1 billion. The Peer Review process helps the Department to influence consistency of approach, en-

sure the quality of contracting, and drive cross-sharing of ideas such as best practices and lessons learned.

Question. If confirmed, will you fully comply with the requirement of section 2330a, to develop an inventory of services performed by contractors comparable to the inventories of services performed by Federal employees that are already prepared pursuant to the Federal Acquisition Inventory Reform (FAIR) Act?

Answer. Yes.

Question. Section 863 of the NDAA for Fiscal Year 2011 requires DOD to establish a process for identifying, assessing, reviewing, and validating requirements for the acquisition of contract services.

What is the status of the Department's efforts to implement the requirements of section 863?

Answer. On March 4, 2012, the Deputy Secretary of Defense sent a memorandum to the Secretaries of the Military Departments and the Directors of the Defense Agencies directing they submit their respective processes and initial implementation plans to fulfill the requirements of section 863. The components have now submitted their plans through the Director of Defense Procurement and Acquisition Policy.

Question. What steps remain to be taken, and what schedule has the Department established for taking these steps?

Answer. The BBP initiatives recently announced by USD(AT&L) includes as a new initiative to expand the use of requirements review boards and tripwires. This initiative recognizes that a more robust process is required to identify, assess, review, and validate requirements for contracted services. Implementation details are expected in the coming weeks. If confirmed, I will support vigorous implementation.

Question. What additional steps if any would you take, if confirmed, to improve the Department's management of its contracts for services?

Answer. Consistent with statutory requirements for management oversight and control processes and the requirements in the original BBP memorandum of September 14, 2010, the components have put in place a framework to manage the acquisition of services. The components have each established a senior manager for services acquisitions. If confirmed, I would continue to support the Director of Defense Procurement and Acquisition Policy in developing, for the Under Secretary's approval, a new Department of Defense Instruction (DODI) to govern the acquisition of services to replace and expand upon existing guidance in DODI 5000.02, Enclosure 9. Further, I would support rigorous oversight of these policies, once put in place.

CONTRACTOR PERFORMANCE OF CRITICAL GOVERNMENTAL FUNCTIONS

Question. Over the last decade, the Department has become progressively more reliant upon contractors to perform functions that were once performed exclusively by government employees. As a result, contractors now play an integral role in areas as diverse as the management and oversight of weapons programs, the development of personnel policies, and the collection and analysis of intelligence. In many cases, contractor employees work in the same offices, serve on the same projects and task forces, and perform many of the same functions as DOD employees. Section 1706 of title 10, U.S.C., as added by section 824 of the NDAA for Fiscal Year 2013, requires that key positions on major defense acquisition programs be filled by full-time government employees.

In your view, has DOD become too reliant on contractors to support the basic functions of the Department?

Answer. I recognize that the private sector is, and will continue to be, a vital source of expertise, innovation, and support. DOD, which relies on an all-volunteer military force, cannot operate without the support of contractors. We must also maintain a properly sized, and highly capable, government workforce that guards against an erosion of critical, organic skills and an overreliance on contracted services. If confirmed, I will continue to support the administration's and Department's focus on ensuring our utilization of contracted support is appropriate given the nature of the mission, risks, and work required.

Question. Do you believe that the current extensive use of personal services contracts is in the best interest of the Department of Defense?

Answer. Generally, I do believe that personal service contracts, established in accordance with the applicable statutes, are in the best interest of the Department. I recognize that certain requirements, such as limited use of medical care providers, may be appropriately fulfilled using personal service contracts. However, I also recognize that service contracts that have been categorized as nonpersonal contracts may inappropriately evolve into personal service arrangements in practice. If con-

firmed, I will work to address this risk and enforce the limits on use of personal service contracts.

Question. What is your view of the appropriate applicability of personal conflict of interest standards and other ethics requirements to contractor employees who perform functions similar to those performed by Government employees?

Answer. When it is appropriate for contractors to perform work that is similar to work performed by government employees, my view is that those contractor employees should be held to similar ethical and conflict of interest standards as the government employees they support. In particular, they should not be allowed to misuse the information which may be available to them as a result of their performance under a DOD contract.

WARTIME CONTRACTING

Question. The number of U.S. contractor employees in Afghanistan now substantially exceeds the number of U.S. military deployed in that country.

Do you believe that the Department of Defense has become too dependent on contractor support for military operations?

Answer. At this time, I do not believe the Department is too dependent on contractors in support of military operations. The Total Force is comprised of U.S. military forces, DOD civilians, and our DOD contractor partners. We live in a constrained resource environment and future operations will continue to use this Total Force. Military force structure is fixed by law, and we concentrate military manpower on combat capabilities and selected tasks that are inherently governmental. In addition, deployable DOD civilians also handle inherently governmental tasks. Military planners typically assign the remaining tasks to other elements of the total force, many of which are appropriate for contractor support. Contractors are force multipliers, performing non-inherently governmental functions, and allowing limited military resources to focus on what they are trained to do. Going forward, our management of contractors in support of military operations requires constant attention and review to continue to identify management improvements.

Question. What risks do you see in the Department's reliance on such contractor support? What steps do you believe the Department should take to mitigate such risk?

Answer. The risks associated with a heavy reliance on contractor support include possible loss of selected services for future contingencies in changed operational environments, the migration of inherently governmental functions to contractors, the erosion of the Department's critical core knowledge and capability, and the risk of losing contingency contract management expertise and structure that has been established over the last several years. I will ensure we conduct risk assessments associated with reliance on contract support in a variety of contingency operations to ensure the risks are addressed and mitigated. The Department must properly incorporate enduring policies, training, and doctrine to alleviate these risks. If confirmed, I will support the additional steps to integrate contractor support estimates into existing planning processes and procedures, and in force planning scenario development and joint force assessments.

Question. Do you believe the Department is appropriately organized and staffed to effectively manage contractors on the battlefield?

Answer. Yes, though each situation will be different, and this was not always the case. We are constantly improving our processes and procedures based on feedback from commanders in the field, congressional support, and suggestions from our service providers. The Department is aggressively operational contract support constructs to better manage contractors on the battlefield. This approach incorporates Requirement Definitions, as prescribed by Congress; Risk Management; and Operational Contingency Management practices that include consideration of contingency contractors and operational support capabilities in mission planning and execution.

Question. Section 848 of the NDAA for Fiscal Year 2011, section 820 of the NDAA for Fiscal Year 2012, and section 845 of the NDAA for Fiscal Year 2013 establish planning requirements for contractor logistics support.

What is the status of the Department's efforts to implement the requirements of sections 848, 820, and 845?

Answer. As required by section 820, contractors have been recognized as part of the Total Force, in addition to military and DOD civilians, in the appropriate strategic documents including the Quadrennial Defense Review and relevant policy and planning documents. Additionally, section 820 risk assessments on the use of contractors are being conducted, and contractors are being integrated into force mix evaluations and operational planning, including the biennial risk assessments by the Chairman of Joint Chiefs of Staff. Over the past 6 years the Department has

made far reaching improvements in the management and oversight of contractors to include contractor officer representative training, instruction in our senior service colleges, and in the General Officer/Flag Officer Capstone training. Strategically, the Operational Contracting Support Functional Capabilities Integration Board (FCIB) governance structure oversees continuing efforts to meet requirements outlined in section 845, as well as, requirements in previous legislation, the findings of the Commission on Wartime Contracting, and the Gansler Commission.

Question. What additional steps do you believe the Department needs to take to improve its planning processes for the use of contractors in contingency operations?

Answer. As required by law, we continue to refine contractor support requirements definition, the contingency program management organization, and related processes to ensure all needs are captured to avoid unnecessary duplication of capabilities, and to ensure we are synchronized with our agency partners. The recent transition in Iraq and the pending transition in Afghanistan have provided us numerous lessons learned in these areas.

With regards to operational contracting support, the Joint Staff is finalizing their important update to Joint Publication 4-10, Operational Contract Support. Planners at each of the combatant commands have developed annexes for contracted support in key OPLANS and CONPLANS, and we are continuing to improve the plans for integrated contracted support at the service component level. If confirmed, I will continue to monitor their initiatives closely.

Question. Sections 841 and 842 of the NDAA for Fiscal Year 2012 gives the Department new tools to ensure that it does not enter contracts with any person or entity who is actively supporting hostile forces in Afghanistan.

What is the status of the Department's efforts to implement the requirements of sections 841 and 842?

Answer. The Department implemented sections 841 and 842 in the Defense Federal Acquisition Regulation Supplement (DFARS) via the Class Deviation #2012-00005 on January 26, 2012. The deviation adds two new clauses to the DFARS—252.225-7993, Prohibition on Contracting with the Enemy in the U.S. Central Command (CENTCOM) Theater of Operations; and 252.225-7994, Additional Access to Contractor and Subcontractor Records in the U.S. Central Command Theater of Operations.

This class deviation allows the Heads of Contracting Activity (HCA) to exercise the authorities provided in the deviation, upon receipt of the enemy notification letter from the CENTCOM Commander, to restrict, terminate, or void contracts with persons or entities that support an insurgency or otherwise actively oppose U.S. or coalition forces in Afghanistan. This deviation also grants contracting officers an additional access to any contractor's records, including subcontractors, regardless of contract value, to ensure Department's contracts are not subject to extortion or corruption. The CENTCOM Commander has issued four section 841 notifications to date, resulting in the termination of three subcontracts.

Question. What additional steps do you believe the Department needs to take to avoid contracting with the enemy in Afghanistan?

Answer. I believe sections 841 and 842 provide the Department sufficient statutory authorities to avoid contracting with the enemy in Afghanistan.

Question. Does the Department need additional tools for this purpose?

Answer. I believe the tools provided through sections 841 and 842 are sufficient to enable us to succeed in this area.

PRIVATE SECURITY CONTRACTORS

Question. Do you believe the Department of Defense and other Federal agencies should reduce their reliance on contractors to perform security functions that may reasonably be expected to require the use of deadly force in highly hazardous public areas in an area of combat operations?

Answer. I believe the use of private security contractors must be carefully considered against the risk of becoming involved in combat operations. I also believe it may be appropriate to use private security contractors for specific security functions in contingency operations when they are limited by specific rules of engagement. However, the Department of Defense must provide proper guidance and supervision when using private security contractors and must ensure they do not engage in combat operations.

Question. What steps if any would you take, if confirmed, to ensure that any private security contractors who may continue to operate in an area of combat operations act in a responsible manner, consistent with U.S. defense and foreign policy objectives?

Answer. If confirmed, I will ensure the Department of Defense has policies that effectively guide the operations of private security contractors when they are used, and that we provide proper oversight. We must also ensure all contractors, to include private security contractors, are legally accountable for their actions, and that private security contractors that operate in an area of combat and contingency operations act responsibly.

Question. Section 846 of the NDAA for Fiscal Year 2013 requires the Department of Defense to undertake risk assessments and risk mitigation whenever it relies on contractors to perform critical functions in support of overseas contingency operations.

What steps will you take, if confirmed, to ensure that the Department fully implements the requirements of section 846?

Answer. I believe that contract support is an essential part of the total force and will remain so in the future. In many cases contractors are absolutely vital. If confirmed, I will ensure that the Department of Defense policy and operational guidance addresses this requirement, and that proper risk assessments are conducted.

U.S. SPECIAL OPERATIONS COMMAND ACQUISITION AUTHORITIES

Question. U.S. Special Operations Command (SOCOM) is unique within the DOD as the only unified command with acquisition authorities and funding. Further, the Commander of SOCOM is the only uniformed commander with a subordinate senior acquisition executive.

Would you recommend any changes to SOCOM's current acquisition authorities?

Answer. I would not recommend any changes at this time. If confirmed, I will support continued dialogue between SOCOM and USD(AT&L) to improve acquisition efficiency and effectiveness.

Question. What role do you believe SOCOM's development and acquisition activities should play in broader Service and Department of Defense efforts?

Answer. I believe the Department should always seek the broadest benefit and application of its development and acquisition activities. The best way for the Department to take advantage of potential synergies and identify best practices is through close coordination between SOCOM's activities and the broader Department acquisition system. This coordination would also help to eliminate duplication and control costs.

Question. If confirmed, how would you ensure that special operations capabilities and requirements are integrated into overall Department of Defense research, development and acquisition programs?

Answer. If confirmed, I will continue to support the "SOCOM Acquisition Summit" that meets in person every 6 months to coordinate, collaborate, and integrate SOCOM's activities with the rest of the Department. This initiative, instituted by Deputy Secretary Carter and Under Secretary Kendall, has proven very beneficial to both SOCOM and the Department. I see the summit as important to ensure SOCOM's acquisition needs are understood and integrated with other Department efforts.

PASS-THROUGH CONTRACTS

Question. Section 852 of the John Warner NDAA for Fiscal Year 2007 requires the Department of Defense to promulgate regulations prohibiting excessive "pass-through" charges on DOD contracts. Section 802 of the NDAA for Fiscal Year 2013 adds the requirement for contracting officers to consider the availability of alternative contract vehicles before entering into pass-through contracts in the first place.

In your view, how extensive is the use of pass-through contracts in the Department of Defense and how important is it for the Department to reduce the use of such contracts?

Answer. To the extent that pass-through costs exist, I believe it is important to reduce these costs because of the complexity of the weapon systems being procured by the Department. Prime contractors generally need to subcontract a portion of the effort in order to provide the most effective overall response to the requirement. However, I do not believe that there are necessarily extensive pass through costs associated with these subcontracting efforts. In response to the requirements of section 852 of the NDAA for Fiscal Year 2007, the Federal Acquisition Regulations (FAR) were modified to require prime contractors to identify their intention to subcontract more than 70 percent of the total cost of work to be performed, and to provide a description of the added value being provided by the prime as related to the work to be performed by the proposed subcontractors.

Question. What changes, if any, would you recommend to the requirements of section 852 and section 802 regarding pass-through contracts?

Answer. Per statute, the Secretary of Defense, Secretary of State (State), and the Administrator of U.S. Agency for International Development (USAID) have 180 days from enactment to implement section 802 of the NDAA for Fiscal Year 2013 to issue guidance and implement regulations. A Federal Acquisition Regulation case, 2013–012, was established for this purpose. Until this guidance is developed via the regulatory rule making process, it is difficult to comment on changes required by either section.

Question. What additional steps, if any, do you believe the Department should take to address the problem of excessive pass-through charges?

Answer. At this time, I believe we should wait for the Departments of Defense, State, and USAID to develop the guidance and regulations required by section 802 to determine if any additional steps need to be taken.

INTERAGENCY CONTRACTING

Question. What is your assessment of the risks and benefits associated with DOD's continued extensive use of interagency contracts?

Answer. When used properly, interagency contracts can reduce procurement lead time, reduce administrative costs, and support strategic sourcing objectives. I believe DOD, in collaboration with numerous non-DOD agencies, the Office of Federal Procurement Policy, and Congress, have implemented processes and procedures that minimize the potential for inappropriate usage. I note on February 14, 2013, the GAO removed the Management of Interagency Contracting from their "2013 High Risk List". I believe this action reflects these efforts and acknowledges that the risk of inappropriate usage under interagency contracts has been significantly reduced.

Question. Do you believe additional authority or measures are needed to hold DOD or other agency personnel accountable for their use of inter-agency contracts?

Answer. No. I have not seen any information that current policies, statute or regulations are not adequate. DOD policy encourages the use of an interagency solution when it's the best procurement approach and is a good business decision for the Department. Recent changes to the Federal Acquisition Regulations have bolstered the documentation requirements when conducting an interagency acquisition.

Question. Do you believe contractors have any responsibility for assuring that the work requested by DOD personnel is within the scope of their contract?

Answer. Yes, I believe contractors should review any order they receive to ensure the supplies or services ordered by the Government are within the scope of the contract that the requirement is being placed under. However, the contracting officer has primary responsibility for ensuring the work is within the scope of the particular contract. If a contractor has any concern that the work ordered is not appropriate under the contract then they should contact the agency contracting officer who placed the order and request clarification.

Question. Do you believe that DOD's continued heavy reliance on outside agencies to award and manage contracts on its behalf is a sign that the Department has failed to adequately staff its own acquisition system?

Answer. No, on the contrary, Congress has provided authority for numerous agencies to provide acquisition support to others. These potential solutions provide DOD requirements, organizations, and contracting officers additional flexibility and opportunity, not previously available, to best meet warfighter and mission needs. The use of interagency solutions enhances the Department's efforts to run as efficiently and effectively as possible and is consistent with our BBP initiatives.

ACQUISITION OF INFORMATION TECHNOLOGY

Question. Most of the Department's Major Automated Information System (MAIS) acquisitions are substantially over budget and behind schedule. In particular, the Department has run into unanticipated difficulties with virtually every new business system it has tried to field in the last 10 years. Section 804 of the NDAA for Fiscal Year 2010 required the Department of Defense to establish a new acquisition process for information technology.

Do you believe that unique problems in the acquisition of business systems require different acquisition strategies or approaches?

Answer. Yes, some business systems require acquisition approaches different from those normally used by the Department to acquire weapons systems. Business systems acquisition approaches should be tailored to the product being acquired. Information technology developed by the software industry for the commercial sector is aligned to best practices for personnel management, finance and accounting, contract management, and the supply chain. In order to be adopted for use by DOD,

emphasis needs to be placed on re-engineering Department business processes to align with best practices. The Department has already begun to adapt to the unique challenges of business information system acquisition through the implementation of the Business Capability Lifecycle (BCL), which emphasizes well defined increments of capability that are developed, tested, and often fielded in increments structured around 1–2 year software builds. In addition, this approach will also be incorporated in the revised DOD Instruction 5000.02. If confirmed, I will assess this further and continue to promote practices that support better acquisition decisions of business systems.

Question. What steps if any do you believe the Department of Defense should take to address these problems?

Answer. The Department has issued guidance requiring the use of the Business Capability Lifecycle (BCL) for the acquisition process for business systems, which is an important step for improving the acquisition process for business systems. Over the past year this approach has been mandated for all new start business systems that are above the statutory Major Automated Information System (MAIS) threshold. In addition, this approach will also be incorporated in the revised DOD Instruction 5000.02. If confirmed, I will continue to support USD(AT&L) in his efforts to improve performance in this area and will continue to monitor the effectiveness of this approach to acquiring business systems to determine if further changes are needed.

Question. What steps has the Department taken to implement the requirements of section 804? What steps remain to be taken?

Answer. The Department continues to make progress implementing several of the key approaches outlined in section 804, specifically in the areas of Acquisition, Requirements, Testing and Certification, and Human Capital. We have implemented a framework for implementing a more flexible and streamlined process for the acquisition of business information systems to include the Business Capabilities Lifecycle. The Department's testing community has been working in collaboration with USD(AT&L) to incorporate an integrated testing, evaluation, and certification approach to reduce redundancies and improve the efficiency and effectiveness of testing on the Department's information systems. The Joint Staff continues to work efforts to include more streamlined requirements management and approval process for acquisition of information systems. A comprehensive review of Information Technology (IT) acquisition competencies is also currently being conducted by the Department's Chief Information Officer. This review will update the IT acquisition competencies to better define DOD critical skill sets. If confirmed, I will continue to assess these actions to ensure continued progress in these areas.

Question. If confirmed, how would you work with the Chief Information Officer of the Department of Defense to take these steps?

Answer. If confirmed, I will continue to work closely with the DOD CIO, and I will ensure the OUSD(AT&L) staff and the DOD CIO staff work collaboratively to identify and take steps needed to improve the acquisition of IT based capabilities. Program Managers responsible for procuring IT have traditionally been charged with acquiring the infrastructure they need to support their assigned procurement. This is an essential area for the Department to achieve consistently better outcomes given the continuing rapid evolution of technology.

Question. Section 806 of the NDAA for Fiscal Year 2011 gives the Department of Defense new tools to address supply chain risk in the acquisition of information technology.

What is the status of the Department's efforts to implement the requirements of section 806?

Answer. The authorities provided by section 806 have the potential to significantly reduce risks associated with those who may have intentions to damage our systems and capabilities through the supply chain. We are working to exercise these authorities effectively. The Department has submitted a draft DFARS rule (2012–D050) in order to make use of the section 806 authority to the Defense Acquisition Regulation (DAR) Council. We anticipate the DFARS rule will next go to OMB with a request for an interim rule. In the meantime, we have been conducting table top exercises with the Services and Agencies to understand what implementation would look like, and documenting supporting tools and guidance.

Question. What additional steps do you believe the Department needs to take to address supply chain risk?

Answer. We must continue to incrementally refine and extend implementation of our Trusted Systems and Networks and Program Protection Planning strategies. The Department has developed a foundation for addressing supply chain risk in acquisition, and codified this in DODI 5000.02 program protection planning practice, as well as the DODI 5200.44 Trusted Systems and Networks policy, co-signed in No-

vember 2012 by USD(AT&L) and CIO. The Department will continue to implement these policies. No additional authorities are needed at this time to address supply chain risk management.

Question. Section 818 of the NDAA for Fiscal Year 2012 establishes new requirements for DOD and its contractors to detect and avoid the use of counterfeit electronic parts.

What steps has the Department taken to implement the requirements of section 818?

Answer. In March 2012, AT&L published overarching Counterfeit Prevention Guidance employing a risk-based approach to the detection, prevention, reporting, and disposal of counterfeit parts in accordance with NDAA for Fiscal Year 2012 section 818. Additionally, we have drafted a Department-wide Counterfeit Prevention Policy based on the legislation and the March 2012 overarching guidance memorandum.

The Department has developed training and education programs which are available to DOD personnel and other Federal employees. The Department is also currently conducting a study into hardware (HW) and software (SW) assurance testing which will result in a state-of-the-art report on HW/SW testing tools/techniques by the end of 2013.

Question. What steps remain to be taken, and what schedule has the Department established for taking these steps?

Answer. We are nearing completion on a department-wide Counterfeit Prevention Policy based on the NDAA for Fiscal Year 2012 section 818 legislation and the AT&L March 2012 overarching guidance memorandum with an estimated issue date in the second quarter of fiscal year 2013. We have also drafted three proposed rules currently making their way through the review and approval process: (1) DFARS case (2012-D055) "Detection and Avoidance of Counterfeit Electronic Parts", (2) a drafted FAR case (2013-002) "Expanded Reporting of Non-conforming Items", and (3) a proposed FAR case (2012-032), "Higher level Contract Quality Requirements." We expect publication of the three proposed rules for public comment in calendar year 2013. Meanwhile, we are modernizing the GIDEP system to improve functionality, data throughput, customer support functions, and the ability to accommodate international requirements.

Question. What additional steps do you believe the Department needs to take to address the problem of counterfeit electronic parts?

Answer. We will need to continue to collaborate with industry, law enforcement, Federal agencies, and OMB to develop strategies and acceptable global awareness standards to minimize the introduction of counterfeit parts in the DOD supply chain. The Department also needs to explore expanding the use of technology in combating this threat through detection and prevention of their items entering our supply chain. We continue to evaluate different identification technologies and quality control techniques, including enhancements in our test and inspection regime to better assure parts authenticity, and provide early identification of non-conforming materiel. We will continue to participate in industry-sponsored working groups, such as those hosted by the Aerospace Industry Association, the trade association for many of our prime suppliers, and the Society of Automotive Engineers, as we strive for "improved" commercially acceptable global sourcing standards.

Question. Some have argued that the current test and evaluation process does not appropriately address the unique circumstances applicable to the acquisition of information technology systems.

What steps if any do you believe the Department should take to improve the test and evaluation process for information technology systems, including their vulnerabilities in the face of a growing cybersecurity threat environment?

Answer. Information systems technologies exist throughout virtually every system the Department operates and produces. While information technology systems are currently tested as part of the acquisition process, the Department should explore the effectiveness of more efficient and tailored test strategies for each of these types of systems. For example, consideration should be given to earlier interoperability and cyber security testing to support the software development process. The Department should also seek to improve capabilities and approaches that promote a more continuous test approach that integrates developmental test, operational test, as well as certification and accreditation activities. If confirmed, I will work to improve our ability to test information technology systems.

CYBERSPACE-RELATED PROCUREMENT POLICY

Question. DOD's new strategic guidance highlights the increasing importance of cyber operations with respect to both defensive and offensive capabilities. As a re-

sult, this is one of the few areas in which the Department is proposing to increase its investments.

What acquisition challenges do you foresee that are unique to the procurement of cyber-related capabilities?

Answer. I foresee many dynamic challenges in this area. The Department recently instituted a new process for cyber acquisition to recognize and address these issues, and more effectively acquire capabilities for offensive and defensive cyberspace operations.

To keep pace with the threat and changing technologies, cyber related products must often go through the acquisition lifecycle of development, testing, and fielding on very short timelines. The challenge to acquiring cyber capabilities at the pace needed will be managing the risk while streamlining the acquisition process; accommodating the rapid pace of information technology changes; and maintaining a rapid pace while prudently evaluating operational performance prior to fielding. This requires timely collaboration across a very broad spectrum of stakeholders, including industry partners, to ensure appropriate results are achieved. If confirmed, I will work closely with USD(AT&L) to implement and refine the approaches to address these challenges.

Question. What steps if any will you take, if confirmed, to address these unique challenges?

Answer. Section 933 of the Ike Skelton NDAA for Fiscal Year 2011 directed the Department to provide a strategy for the rapid acquisition of tools, applications, and other capabilities for cyber warfare. In response, the Department created a Cyber Investment Management Board (CIMB) and prescribed processes to meet urgent acquisition needs for cyber capabilities.

If confirmed, I will work with the USD(AT&L) to help actively oversee the Department's cyber acquisition investments in cooperation with appropriate personnel across the Department. I will also work with other Federal agencies and with industry to address the challenge of acquiring cyber offense and defense capabilities, especially in the Defense Industrial Base as highlighted in the recent Executive Order on Critical Infrastructure and Presidential Policy Directive (PPD) 21—Critical Infrastructure Security and Resilience.

ACQUISITION WORKFORCE

Question. Section 852 of the NDAA for Fiscal Year 2008 established an Acquisition Workforce Development Fund to help the Department of Defense address shortcomings in its acquisition workforce. The fund was restructured and extended by section 803 of the NDAA for Fiscal Year 2013.

Do you believe that the Acquisition Workforce Development Fund is still needed to ensure that DOD has the right number of employees with the right skills to run its acquisition programs in the most cost effective manner for the taxpayers?

Answer. Yes. The fund has enabled DOD to strengthen the workforce in many critical functions and is needed for continuous improvement of workforce skills and qualifications. The quality of the workforce and their efforts are vital to acquisition outcomes that support the warfighter while managing of taxpayer resources.

Question. If confirmed, what steps will you take to ensure that the money made available through the Acquisition Workforce Fund is spent in a manner that best meets the needs of the Department of Defense and its acquisition workforce?

Answer. If confirmed, I will support USD(AT&L) as he works with senior acquisition leaders and the leadership of the Military Departments to wisely use the fund to implement strategic guidance and priorities, which include providing the right balance across various acquisition professional career fields, and improving the professionalism and qualifications of the workforce.

THE DEFENSE INDUSTRIAL BASE

Question. What is your view of the current state of the U.S. defense industry?

Answer. I believe the Department relies on a broad technical and industrial base that is far more global, commercial, and financially complex than ever before. For the past decade the defense industrial base has enjoyed a period of increasing budgets that is now at an end. In addition, financial uncertainty has caused firms to delay investment decisions and seek other markets. While I think our industrial base is currently strong, I am concerned about the impact that further defense budget cuts would have on the ability of the base to provide the broad range of products and services that the Department and our Nation need. If confirmed, the continuing health of the industrial base will be a high priority for me.

Question. Do you support further consolidation of the U.S. defense industry?

Answer. I believe that the expansion and consolidation of industries and companies at all tiers is the hallmark of a robust free market economy as it responds to the market forces. I expect, and encourage the free market to act when faced with changing demand signals. However, I also believe the Government must be watchful for consolidations that eliminate competition or cause market distortions. The Department's leadership, including Deputy Secretary Carter and Under Secretary Kendall, have indicated that further consolidation at the top tier would not be viewed favorably, though it is reasonable to expect continued mergers and acquisition in the lower tiers in response to anticipated reduced budgets. I believe that each individual case of consolidation, acquisition, or merger dealing with our defense firms must be examined carefully for what is best for the warfighter and the taxpayer, particularly with regard to its impact on competition.

Question. What is your position on foreign investment in the U.S. defense sector?

Answer. Foreign investment in our industrial base has generally benefitted the United States, including DOD, by providing needed capital and increasing access to leading-edge technologies. However, I believe foreign investment, particularly in the defense sector, can expose critical national defense-related technologies to risks, including the possible loss of intellectual property that gives our warfighters the technological edge they rely upon. Congress has put provisions in place to address critical national security concerns of this nature, including the Committee on Foreign Interests in the United States (CFIUS) led by the Department of the Treasury. If confirmed, I will continue DOD's commitment to its oversight function and to ensuring that national security concerns are addressed in transactions that involve foreign investments in the United States.

Question. What steps if any do you believe the Department of Defense should take to ensure the continued health of the U.S. defense industry?

Answer. If confirmed, I would ensure the sources of manufacturing and services that DOD relies on are capable of meeting our warfighters' requirements. I will ensure the Department proactively monitors the industrial base to identify risks that need to be addressed on a case by case basis. When necessary and as resources permit, the Department should be prepared to act to ensure that certain key industrial capabilities are sustained, although we must recognize this will not be possible in every case.

I believe the Department must simultaneously be receptive to industry's concerns and address their issues as effectively as possible, consistent with the Department's priorities and the resources available. I will also continue to make myself assessable to industry, as I always have, working closely and communicating to ensure that, as DOD makes changes necessary to adapt to a new set of strategic and budgetary challenges, it does not inadvertently jeopardize critical elements of the industrial base.

Question. What is your understanding of the status of the Department's ongoing Sector-by-Sector, Tier-by-Tier (S2T2) analysis of the defense industrial base?

Answer. In 2012 the Department tested the S2T2 analytical process with the Army M-1 Abrams program. It was a labor-intensive collaboration between OSD and the Army to identify the most critical and fragile capabilities in the industrial base, and develop a cost effective option for preserving the ability to support the current generation and next generation of ground vehicles. I note that this is a process, rather than a single analysis, and the Department has plans, which I would support if confirmed, to expand this process to more broadly support the other services and perform an assessment of multiple sectors and programs.

Question. Has the Department taken any concrete steps to enhance the health and status of a particular sector or tier based upon this analysis?

Answer. The test case for S2T2 analysis is the M-1 Abrams program. The primary goal of the assessment was to preserve the tank industrial base by developing an affordable acquisition profile that would maintain needed industrial capabilities. Potential Foreign Military Sales were factored in as a way to make-up for at least some lost work. Bridge buys or other forms of investment were also factored in for critical and fragile second to fourth tier suppliers to determine the fiscal year 2014 funding profile required to address risks in 2015. Where practical, targeted investments using existing authorities and other programs are being considered to improve and preserve critical manufacturing capabilities.

Question. Under what circumstances if any do you believe the Department should use Defense Production Act Title III authorities to address defense industrial base needs?

Answer. I believe that the Department should only use title III authorities when it meets the two determinations consistent with section 303 of that law that: taking such action is essential to the national defense; and without such action, U.S. industry cannot reasonably be expected to provide the capability for the needed industrial

resource, material, or critical technology item in a timely manner. These decisions must be informed by a thorough industrial base analysis, consultations with the Defense Production Act Committee (DPAC), as well as the advice of other agencies in determining industrial base priorities for DPA title III investments.

Question. What is your view of current or anticipated consolidation efforts by major defense contractors?

Answer. As I stated in my previous response, I do not foresee a time in the near future where further consolidation of this part of the base would be in the best interest of the warfighter or the taxpayer. I believe that we should preserve as much competition as possible and avoid market distortions not in the best long-term interests of the Government.

SCIENCE AND TECHNOLOGY

Question. What, in your view, is the role and value of science and technology programs in meeting the Department's transformation goals and in confronting irregular, catastrophic, traditional and disruptive threats?

Answer. Science and Technology (S&T) programs of the Department have always been critical to meeting new and emerging threats, and I anticipate this will continue. S&T helps the Department meet transformation goals; and continues to address emerging threats such as anti-access/area denial challenges. With a focused, high quality, aggressive science and technology program that is responsive to the full range of capabilities required by our Armed Forces, we will be able to preserve the future and maintain technological superiority over our adversaries.

Question. If confirmed, what direction will you provide regarding funding targets and priorities for the Department's long term research efforts?

Answer. If confirmed, I will work with the USD(AT&L), the ASD(R&E) and the department's leadership to provide direction for funding targets for long-range research, balanced against other priorities. The Department and the administration have placed a strong emphasis on sustaining S&T spending. Secretary Panetta and the USD(AT&L) have repeatedly indicated that technological superiority underpins the Department's recently released Military Strategy Guidance; I share that view. If confirmed I will continue that emphasis and, subject to the Secretary's approval, use available mechanisms for establishing funding targets.

Question. What specific metrics would you use, if confirmed, to assess whether the Department is making adequate investments in its basic research programs?

Answer. Establishing viable metrics to assess investments in basic research has proved to be difficult, in part because the time scale from basic research funding to output and fielded system can be long. If confirmed, I will work with USD(AT&L) and the ASD(R&E) to assess investments made by the military services and agencies in basic research and ensure effective management of this portfolio. Specific metrics should include publications, patents, and technology transitions to our acquisition programs. However, these are incomplete, and if confirmed, we will continue to seek basic research metrics.

Question. Do you feel that there is sufficient coordination between and among the science and technology programs of the military services and defense agencies?

Answer. I believe that the Department is improving in this area, with additional room for improvement. The Department has recently reintroduced the process whereby all S&T portfolios with significant multi-agency investment must deliver an integrated roadmap for review by the Department's S&T Executives. As a pilot, the Department has established seven Priority Steering Councils, consisting of scientists and engineers from the services and agencies, whose job it is to develop cross-cutting roadmaps for the Department's recently designated S&T Priorities. The councils are complemented by Communities of Interest (COIs) populated by scientist and engineers from the services and agencies for the purpose of integrating the Department's S&T program in specific technology areas. COIs are permanent in nature. There are also short-term Technology Focus Teams (TFTs) that perform in-depth analysis of specific technology issues and report their findings to the S&T EXCOM. If confirmed, I will work with the USD(AT&L) and the ASD(R&E) to continue improvements in coordination among these areas.

Question. Are you satisfied that the Department has a well articulated and actionable science and technology strategic plan?

Answer. There is a well-coordinated technology strategic investment strategy, but I believe there is room for improvement in strategies that cover specific topical areas. The Department has well-articulated and actionable strategic plans for basic research, and for Science, Technology, Engineering, and Mathematics (STEM) education. I believe it would be valuable to document an overarching Departmental Science and Technology strategic plan. If confirmed, I will work with the

USD(AT&L) and the Assistant Secretary of Defense for Research and Engineering to develop such a plan.

Question. Do you see a need for changes in areas such as hiring authority, personnel systems, financial disclosure and ethics requirements, to ensure that the Department can recruit and retain the highest quality scientific and technical workforce possible?

Answer. I have not seen specific evidence of problems attributable to these areas. I believe, as does USD(AT&L), that the Department needs to continue to strengthen its workforce in the science and engineering fields. If confirmed, I will work with the USD(AT&L), the ASD(R&E), and other Department leadership to assess this situation and determine whether any corrective action is needed.

Question. The Assistant Secretary of Defense for Research and Engineering (ASD(R&E)) has been designated as the Chief Technology Officer of the Department of Defense.

In your view, what is the appropriate role of the Chief Technology Officer of the Department of Defense?

Answer. As outlined in the Department of Defense Directive 5134.3, I believe the appropriate role of the Chief Technology Officer (CTO) is to provide technical leadership, guidance, and oversight for the Department's Research and Engineering activities, to include the early identification of critical technology opportunities that could lead to affordable new capabilities. Finally, the CTO should evaluate the adequacy of the Department's overall Research & Engineering investment and program content.

Question. What authority should the ASD(R&E) have over the Defense Advanced Research Projects Agency (DARPA)?

Answer. DARPA is a Defense Agency under the direction, authority and control of the USD(AT&L) through the ASD(R&E). The DARPA director directly reports to the ASD(R&E), and consequently DARPA should operate in accordance with high-level direction from ASD(R&E). I would not recommend any changes in these roles or authorities.

Question. What authority should the ASD(R&E) have over other Service and Agency science and technology efforts?

Answer. I believe the existing authorities outlined in DOD Directive 5134.3 are appropriate. The ASD(R&E) is to recommend approval, modification, or disapproval of programs and projects of the Military Departments and Defense Agencies to eliminate unpromising or unnecessarily duplicative programs, and is also designated to recommend the initiation or support of promising projects or programs for the science and technology program. Finally, the ASD(R&E) is responsible for recommending budget adjustments to the USD(AT&L) and the Secretary of Defense.

Question. Do you see the need for any changes in organizational structure, workforce, or availability of resources to improve the effectiveness of the Office of the Assistant Secretary of Defense for Research and Engineering?

Answer. No. If confirmed, I will continuously monitor the alignment and balance of all acquisition, technology, and logistics offices to improve their effectiveness and ability to meet the mission

DEFENSE LABORATORIES

Question. What is your view on the quality and relevance of the DOD laboratories as compared to the DOE national laboratories, Federal laboratories, academic laboratories, and other peer institutions?

Answer. My view is that the DOD laboratories are in general staffed with dedicated competent scientists and engineers performing important missions for the Department. A key issue going forward is how to operate these Laboratories as an enterprise to meet the needs of the Department even more effectively. The ASD(R&E) is working with the Office of Science and Technology Policy, the Services, and other Departmental stakeholders on an analysis to address Federal laboratory capacity. If confirmed, I will support the USD(AT&L) in his assessments of this area.

Question. What metrics will you use, if confirmed, to evaluate the effectiveness, competitiveness, and scientific vitality of the DOD laboratories?

Answer. If confirmed, I will primarily rely on an evaluation based on success in developing and transitioning new technologies to warfighters, the quality of their technical workforce, and the results of external reviews of their effectiveness and innovation. I would also be open to new approaches for objectively assessing the performance of the laboratories.

Question. What steps if any will you take, if confirmed, to increase the mission effectiveness and productivity of the DOD laboratories?

Answer. The USD(AT&L) has initiated the process to assess the productivity of DOD's acquisition institutions, including laboratories. If confirmed, I will support that process with the ASD(R&E) to review options and opportunities to increase the mission effectiveness of DOD laboratories.

Question. In your view, have the DOD laboratories struck an appropriate balance between investments in near-term technology programs that are tied to current battlefield needs and investments in longer term, higher risk, and revolutionary capability development?

Answer. Yes. The realities of a nation at war have forced our laboratories to develop near term programs. However, the labs have maintained long-term efforts as well. As the Department draws down from current combat operations, I would expect a modest shift back to medium and long-term efforts. The Services currently align approximately one-third of their basic science budgets to in-house programs. A recent review of the labs' basic science program was conducted by the Defense Science Board (DSB) and their report concluded that the in-house basic research program was technically strong and healthy. In general, I think the Department has a reasonable balance; however, if confirmed, with the USD(AT&L), I will continue to assess this balance to determine if adjustments are needed.

Question. Do you believe that this balance is likely to change with the completion of our withdrawal from Iraq and our ongoing drawdown in Afghanistan?

Answer. I expect the balance between near-term and longer-term research will not change dramatically as a result of these events, but will move slightly away from near-term efforts. In addition, the portfolio of research topics will likely shift to support the Department's recently released strategic guidance, particularly toward any emerging threats, such as anti-access/area denial. If confirmed, I will continue to assess the balance with the ASD(R&E).

Question. Section 219 of the NDAA for Fiscal Year 2009 authorizes the directors of a defense laboratory to use up to 3 percent of the total funds available to the laboratory to fund innovative research, technology transition activities, and workforce development.

What is your understanding of the extent to which the Department has implemented section 219?

Answer. I understand each of the Services has implemented section 219 programs in a unique fashion that aligns with their unique Service business models. Though the statute gives authority to lab directors to utilize up to 3 percent of all available funds for this program, the actual amount to date has been in the 1 to 2 percent range. The Department submits a section 219 status report annually to Congress to detail the related investment, the latest of which was delivered on June 4, 2012.

Question. Do you believe that the funding flexibility provided by section 219 has been appropriately utilized by the Department?

Answer. Yes. Each lab director has balanced section 219 investments with other programs and procurements, and used the flexibility of section 219 to support their business model. If confirmed, I will continue to monitor the use of this flexibility by lab directors.

Question. Do you believe that it would be feasible or appropriate for the Department to use the authority of section 219 to adjust the balance between investments in near-term technology programs and longer-term, higher-payoff investments?

Answer. I believe these adjustments are already being done under section 219, so I recommend no changes at this time.

DARPA

Question. In your view, has DARPA struck an appropriate balance between investments in near-term technology programs that are tied to current battlefield needs and investments in longer term, higher risk, and revolutionary capability development?

Answer. Yes. DARPA's mission of creating and preventing technological surprise does require a focus on high-impact opportunities for the future. At the same time, DARPA has contributed to near-term needs, and in the process learned valuable lessons that inform its longer term efforts.

Question. What are the major issues related to DARPA investments, management and workforce, and research outcomes that you will seek to address?

Answer. DARPA continues to be a key center for DOD innovation. If confirmed, I will continue to help it remain a preeminent source of creative and technically superior capabilities.

Question. Do you feel that DARPA is adequately transitioning its programs to the Services and Defense Agencies? If not, how will you address that challenge?

Answer. This is always a challenge for high-impact efforts that challenge the status quo. DARPA continues to build strong relationships with the Services to ease the way for transition. If confirmed, I will place a high priority on technology transition.

Question. Do you believe that there has been an appropriate level of interaction between DARPA and its intelligence community analog, IARPA, given the overlap in many research areas?

Answer. I have not looked into how DARPA interacts with IARPA, but if confirmed, I will look into this interaction and take action if appropriate.

TEST AND EVALUATION

Question. The Department has, on occasion, been criticized for failing to adequately test its major weapon systems before these systems are put into production.

What are your views about the degree of independence needed by the Director of Operational Test and Evaluation (DOT&E) in ensuring the success of the Department's acquisition programs?

Answer. I believe the DOT&E must be an independent entity to ensure the Department's weapon systems are realistically and adequately tested in their intended operational environment. If confirmed, I will work with the DOT&E on testing and evaluation issues as a partner in the acquisition process, and continue to welcome his insights on program performance and other issues. DOT&E's independence is of value in the acquisition process.

Question. What are your views about the role of the Director of Developmental Test and Evaluation (DT&E) in ensuring the success of the Department's acquisition programs?

Answer. I believe the role of the DASD(DT&E) is beneficial to the Department's acquisition process, and if confirmed I will rely on the DASD(DT&E) for advice on the demonstrated maturity of designs to enter initial production and on the adequacy of planned test programs.

Question. Are you concerned with the level of test and evaluation conducted by the contractors who are developing the systems to be tested?

Answer. I have no evidence that this is a major area of concern. The test strategy for an acquisition program is based on a variety of factors, and each program requires a different mix of government and contractor testing. However, to ensure the Department's systems are adequately tested, I believe there needs to be government leadership of DT&E.

Question. Do you believe that the operational and developmental testing organizations in DOD and the military services are adequate to ensure an appropriate level of testing, and testing oversight, on major defense acquisition programs?

Answer. Yes. I also believe the Department can improve its performance in this area by defining test requirements earlier in a program and putting more emphasis on early developmental test and evaluation activities to reduce the likelihood of late discovery of design or production issues. If confirmed, I will continue to work with the DASD(DT&E) and DOT&E to ensure the Department conducts effective and efficient developmental and operational testing.

DEPOT ISSUES

Question. A decade of overseas contingency operations has increased maintenance requirements and expenditures. These requirements and expenditures are expected to remain high for several years after the conclusion of operations in Afghanistan before they begin to decrease.

What do you believe the Department has learned from this experience, and how will these lessons learned affect, if at all, the future of DOD maintenance and logistics?

Answer. Since overcoming initial issues early in Afghanistan and Iraq, the Department has provided superb logistics support to our deployed forces. There are a number of lessons learned, some of which have already been incorporated into our policies, processes, and doctrine. Others are still being documented. We created and have institutionalized Combatant Command Deployment and Distribution Operations Centers to facilitate the deployment of forces and delivery of sustainment supplies. The Department has increased maintenance capability to support equipment left in theater and optimally structured reset of equipment retrograded with unit redeployments. This tailoring has enabled both maximum readiness of materiel in theater to support warfighting operations, but also of that CONUS to support force generation and training. An example of this optimization can be clearly seen in the operations of the Army Field Support Brigades, as well as in the tailored reset work packages that address not only the high OPTEMPO and harsh theater

environments, but also the restoration and protection of useful life of our equipment. We have also been able to efficiently and effectively augment unit maintenance with contractor maintenance support. Finally, we have incorporated Operation Contract Support to manage contractors in our policy and doctrine.

Question. For how many years after the end of combat operations do you believe the Department will need to continue to pay for increased maintenance to reset and reconstitute the force?

Answer. Our estimates indicate it will take 2 to 3 years to complete reset and reconstitution post-combat operations in Afghanistan. This time depends on the velocity of our retrograde process, the availability of funding, and the capabilities that will be needed in the force structure to meet the Defense Strategy within the budget constraints.

Question. What factors do you believe should govern the Department's strategy to manage workload as maintenance requirements begin to decrease?

Answer. We must maintain a ready and controlled source of government-owned and -operated depot maintenance capability by leveraging the principals of Core and 50/50 statutes. We must also sustain the critical capabilities of the private sector. To do this, we must leverage the partnership between the public and private sectors, and wisely improve our efficiency of maintenance operations in both the public and private sectors to continually reduce cost and increase our buying power. This holistic approach will ensure strong national capabilities.

LOGISTICS AND READINESS

Question. If confirmed, what steps if any would you take to ensure that life cycle maintenance requirements and sustainment support are considered in the acquisition process for new DOD systems?

Answer. The Department has made great strides in this area over the past 2 years. We have heightened the focus on sustainment by elevating the importance of sustainment planning in milestone reviews to a comparable level of oversight within acquisition and engineering plans. Since issuing guidance on requisite content for sound sustainment plans, we have completed and approved the Life Cycle Sustainment Plans (LCSPs) for nine Major Defense Acquisition Programs. If confirmed, I will support the Department's efforts, working closely with the Service acquisition and materiel stakeholders, to develop solid maintenance requirements and effective LCSPs that meet system readiness objective and deliver affordable product support.

The NDAA for Fiscal Year 2009 requires the Department of Defense to conduct life-cycle cost analysis for new capabilities including the fully burdened cost of fuel during the analysis and evaluation of alternatives in the acquisition program design trades.

Question. Do you believe that the fully burdened cost of fuel is an appropriate factor for the Department to consider in the evaluation of acquisition alternatives?

Answer. Yes. The Fully Burdened Cost of Energy is a useful component of the total life cycle cost estimating process, which helps the Department understand the full, long-term expenses the Department is signing up to when it commits to a new system. Being scenario based, the Fully Burdened Cost of Energy provides an operational cost perspective which helps decision-makers differentiate between the fuel and logistics demands of competing system concepts.

AFGHANISTAN DISTRIBUTION CHALLENGES

Question. Last year, an agreement was reached with the Pakistani Government to reopen the ground lines of communication (GLOC), allowing military supply convoys to resume logistical support to U.S. forces inside Afghanistan. However, since the GLOC were closed for several months, the DOD incurred much higher logistical costs having to rely entirely upon the Northern Distribution Network (NDN) and aerial resupply.

Are you satisfied with the current rate of logistical resupply flow through the GLOC?

Answer. Since the Pakistan Ground Line of Communication (PAKGLOC) reopened, there have been challenges working through transit authority procedures required to increase the flow of cargo movements. Currently, the Department is conducting multiple proofs of principle (PoPs) to test these new procedures. Initial results are promising. We anticipate new cargo movements in the Spring 2013 with larger volumes of retrograde cargo moving through Pakistan in the summer timeframe.

Question. Does the Department have appropriate plans in place to provide for the retrograde of equipment from Afghanistan as we prepare for the withdrawal of our forces?

Answer. The Department relies on multiple transportation routes for its retrograde operations, including a combination of ground, air, sea, and rail. We have a resilient transportation system that provides more than one way to support the theater. Additionally, the Department has plans for the disposition of U.S. equipment and supplies to enable retrograde movements. All military equipment needed for future military force needs, except equipment that may still be needed by U.S. Forces in Afghanistan, will be returned to the United States, repaired, and distributed back to the force. Equipment that will not be needed to meet future military needs, which is mostly non-military base operating equipment, will be donated to the Afghan Government, transferred to other coalition or regional partners, or destroyed in Afghanistan, depending on the nature of the equipment and legislated authorities.

Question. To what extent is the DOD anticipating throughput challenges in Pakistan that would limit the DOD's ability to remove equipment from Afghanistan?

Answer. The Department is currently conducting multiple PoPs to test the new procedures for movements through Pakistan. Initial results are good, and we expect these tests to be successful. We anticipate new cargo movements in Spring 2013 with larger volumes of retrograde through Pakistan in the Summer timeframe. This will enable two-way flow to support both resupply and retrograde operations. The Department's transportation plans for retrograde operations include the use of multiple routes under varying assumptions, including scenarios with and without the use of the PAKGLOC.

Question. To what extent has DOD developed alternatives to the Pakistan GLOC to be able to remove equipment from Afghanistan?

Answer. The Department has developed multiple transportation routes to augment the ability to retrograde from Afghanistan. One is the use of the NDN, which is a series of routes through Europe, Russia, and Central Asia. Another transportation option is to use a combination of airlift and sealift (multi-modal) movement out of Afghanistan. These alternatives can and will be used for retrograde operations. However, sole reliance on these methods is not ideal for significant volumes of retrograde due to cost, limited airfield capability in Afghanistan, and the time it will take.

Question. What challenges remain in developing these alternatives?

Answer. These transportation alternatives are in place today. We anticipate more extensive use of all transportation routes as we complete the proofs of principle and work with host nations on customs and transit procedures. Afghanistan poses additional challenges based on its location, making retrograde operations inherently more difficult than Iraq. The movement of personnel is not an issue.

Question. In a 2011 report to Congress, GAO found that although U.S. Transportation Command has established some processes for oversight, it does not have full oversight of the distribution of supplies and equipment to the warfighter in Afghanistan. GAO highlighted several issues to include: a lack of adequate radio-frequency identification information to track all cargo movements; no common operating picture for distribution data and integrated transportation systems; complex customs clearance processes in Afghanistan and Pakistan that delay shipments; limited information on incidents of pilferage and damage of cargo; and ineffective tracking and management of cargo containers.

To what extent, if any, has DOD improved its visibility over equipment and supplies in Afghanistan?

Answer. Our warfighters and other managers have visibility of equipment and materiel from a number of sources, and lack of visibility has not been identified as a significant problem by our warfighters. With that said, Department policy requires all DOD cargo transiting Afghanistan to use Radio Frequency Identification tags. This technology enables the visibility of cargo during transit and storage. Enhanced in-transit visibility through the use of satellite-enabled technology is also available for high priority movements. Additionally, we require contracted carriers to provide automated updates to DOD systems at key points throughout the movement process. Furthermore, in January 2013, CENTCOM published a directive to DOD shippers with instructions for improving cargo security and the tracking and reporting of shipments transiting Pakistan.

Question. To what extent has DOD developed a common operating picture to improve its processes for tracking equipment and supplies in Afghanistan?

Answer. CENTCOM has developed and implemented an automated Logistics Common Operating Picture, which includes information on the amount of supplies on-hand and personnel and cargo movements supporting CENTCOM.

NONSTANDARD EQUIPMENT

Question. DOD has acquired millions of dollars in tactical nonstandard equipment (NSE) to address evolving threats in Afghanistan (and previously in Iraq).

If confirmed, what would be your plan of action to deal with the NSE accumulated by the Services over the last several years?

Answer. Our forces have greatly benefited from the access to rapid acquisition of newly emerging technologies and capabilities for Iraq and Afghanistan. If confirmed, I will work with the Services as they consider future force structure and requirements, and for items that are to be retained, that the Services have effective plans to sustain this mission-essential NSE.

Question. What is your assessment of the amount of NSE that has been transferred by the Services into programs of record to date?

Answer. I do not have data on which NSE has transferred to become programs of record. The Services continue to carefully evaluate their force equipment requirements. Some examples of technologies we are keeping and putting into our formations are the Counter Rocket Artillery Mortars system that was so effective against the indirect fire threat in OIF and OEF, as well as selected MRAP vehicles. If confirmed, I will monitor Service actions to transition NSE to programs of record.

Question. To what extent, if any, has DOD identified and planned for future maintenance and sustainment costs for any NSE that will have to be funded in future budgets?

Answer. For enduring capabilities, it is important that we budget for sustainment. My understanding is that the Services have begun the process of determining their maintenance and sustainment costs for NSE identified as necessary to meet future force enduring requirements. If confirmed I will support and provide oversight to the Services actions to monitor and sustain NSE selected for enduring requirements.

CORROSION PREVENTION AND CONTROL

Question. GAO estimates that corrosion damage to equipment and weapons systems costs the DOD approximately \$22 billion per year. The Office of Corrosion Prevention and Control has been in existence for almost 2 years now, and a corrosion prevention and control plan (CPCP) is now required for all category one acquisitions.

Do you believe that a CPCP should be considered during the analysis of alternatives process or the RFP process?

Answer. I consider corrosion an important factor in system life cycle cost and performance which should be considered during the analysis of alternatives (AoA). I support the existing direction to the Military Departments to objectively evaluate corrosion as part of program design and development activities, and to weigh the trade-offs through an open and transparent AoA. Similarly, the RFP process should also clearly articulate to industry specifically what our needs are for addressing corrosion prevention and control. Without clearly articulated requirements in the proposal process, we risk additional costs in acquisition or sustainment.

Question. What is your assessment of existing alternatives for hexavalent chromium?

Answer. I am not currently familiar with the use of or alternatives to hexavalent chromium. If confirmed, I will assess the alternatives for this material.

OPERATIONAL ENERGY

Question. The NDAA for Fiscal Year 2009 created the position of the Assistant Secretary of Defense for Operational Energy Plans and Programs

If confirmed, how would you work with office of the Assistant Secretary of Defense for Operational Energy Plans and Programs to advance the objectives of that office?

Answer. If confirmed, I will work with ASD(OEPP) to ensure defense energy investments increase military capabilities, provide mission success, and lower total costs. I also will assist ASD(OEPP) and USD(AT&L) in implementing any necessary changes in the defense acquisition system to support these objectives.

Question. What role do you expect to play, if confirmed, in developing strategies to reduce the logistical footprint of deployed units operating in hostile environments?

Answer. The safety and effectiveness of our forces will always be my highest priority. If confirmed, I will work with USD(AT&L), the ASD(L&MR), the Joint Staff, and the Military Services to ensure we optimize our sustainment, maintenance, and materiel reliability to reduce the logistical footprint of deployed forces. I will support policies that promote technologies and strategies to reduce the logistics footprint,

and continue to emphasize logistics implications as a key factor in the decision processes for new weapon systems.

Question. What role do you expect to play, if confirmed, in developing and pursuing alternative energy sources for the Department of Defense?

Answer. If confirmed, I expect to exercise oversight of the Department's efforts to develop and pursue energy innovations that advance military missions and capabilities, or innovations that lower our base operating costs.

Question. What is your assessment of DOD's current ability to track fuel consumption after point of sale at forward-deployed locations?

Answer. The Department's ability to track fuel consumption after point of sale at forward-deployed locations has improved and continues to improve. The Department is collecting quarterly estimates of operational energy consumption with increasing granularity, and improving its ability to better manage energy in the deployed environment. While there are still challenges in tracking fuel consumption by contingency base camps and ground vehicles, I am confident the Department will continue to increase its ability to measure—and, thus manage—consumption of operational energy at forward-deployed locations.

Question. Many of the energy efficiency initiatives that are currently being developed are designed for use in high heat desert terrains.

To what extent, if any, is DOD planning and developing energy saving equipment and technologies to support the warfighter in other environments that may have differing climates?

Answer. The Departments energy priorities are derived from current and projected operational needs, so that our forces can operate effectively in every region of the world, in every environment, and against every threat. If confirmed, I will ensure that the energy-saving equipment and technology we are fielding is flexible and adaptable across a range of contingencies, and is designed to improve our war fighting capability by lightening the load for our expeditionary forces, reducing the vulnerability of logistics support lines, and optimizing the performance of our systems and operating bases.

Question. Last July, the Assistant Secretary of Defense for Operational Energy Plans and Programs published a policy that any alternative drop-in replacement fuel procured for DOD-wide use and distribution within the Class III (Bulk) supply chain must compete with petroleum products and any awards will be based on the ability to meet requirements at the best value to the government, including cost.

What is your view of this policy?

Answer. I support this policy. It is prudent for the Department to engage in tests and demonstrations that confirm defense equipment can operate on a range of fuels; however, as the Department allocates its limited resources to ensure it delivers necessary warfighting capability, it should only buy large volumes of these fuels when they are cost-competitive with petroleum products.

Question. What is your assessment of section 526 of the Energy Independence and Security Act of 2007? What impact, if any, has this provision had on the operations and activities of the Department of Defense?

Answer. Section 526 has not restricted the Department from purchasing whatever fuel it has needed to support military operations. It is my understanding that section 526 applies only to contracts that are for the express purpose of buying alternative or synthetic fuel. As long as mission capability is not restricted, it is helpful to have this guidance that new fuels should not be any more polluting than fuels produced from conventional petroleum sources.

Question. If confirmed, what priorities would you establish for Defense investments in energy technologies?

Answer. If confirmed, my priority will be to focus on energy technologies, as well as tactics, techniques, and procedures, that improve the capabilities and effectiveness of our military forces, reduce our costs, or help meet the needs of our installations. This means energy innovations and policies that improve the performance of our systems, expeditionary outposts, and even portable equipment carried by our personnel.

ENVIRONMENTAL SECURITY

Question. If confirmed, you will be responsible for assisting the Under Secretary in the oversight of environmental security issues for the Department of Defense.

What do you see as the most significant challenges facing the Department in the area of environmental security?

Answer. The greatest challenge will be maintaining and improving the Department's level of environmental performance given the extremely challenging budget environment—to include the threat of sequestration to impose across the board cuts

despite legal requirements; the execution difficulties posed by Continuing Resolutions; and the overall tightening of the budget. If confirmed, I will continue to look for ways to meet these challenges to protect human health and the environment across our enterprise.

Question. Assuming you are confirmed, what plans if any do you have for addressing these challenges?

Answer. If confirmed, I will continue the aggressive oversight of environmental programs, with the goal of minimizing management costs and making our organizational structure and performance contracts as efficient and effective as possible. I will also continue to emphasize strategic R&D investments in technologies to lower the costs associated with environmental cleanup and compliance.

Question. While the Military Departments have made considerable progress addressing environmental contamination at military installations, there remains a substantial amount of work to be done, including the remediation of discarded munitions and Unexploded Ordnance (UXO), at current and former DOD sites. The military departments have managed to maintain reasonably level funding for these cleanup programs over the past several years; however, many of these clean-ups will take years to complete and, in the current budget environment, the restoration accounts will come under pressure.

What steps, if any, do you believe are needed to ensure that the DOD remediation programs receive adequate funding and make meaningful progress, particularly in the detection and clearance of discarded munitions and UXO?

Answer. I believe that continuing the Department's existing remediation programs is important, and, if confirmed, I will work to balance resources so as not to extend cleanup timelines and jeopardize our ability to meet cleanup goals. I also support continued R&D investments in programs that can reduce the cost and timelines for cleanup. The Department is validating new technology for detection and clearance of unexploded ordnance that may dramatically accelerate cleanup of these sites and will lower the overall liability of the Department.

Question. How might the Strategic Environmental Research and Development Program (SERDP) help with the overall progress of the Defense Environmental Restoration program, particularly in view of the current fiscal environment?

Answer. SERDP and its companion program, the Environmental Security Technology Certification Program (ESTCP), have and should continue to reduce the cost and improve the efficacy of the Department's cleanups under the Defense Environmental Restoration Program.

Question. Technologies that can significantly reduce the costs of Unexploded Ordnance (UXO) cleanup that were developed by SERDP are now being demonstrated under ESTCP at actual UXO contaminated sites across the country. We expect the new cleanup technologies to become the standard approach at UXO contaminated sites within a few years, reducing the costs significantly. SERDP and ESTCP have already saved DOD billions of dollars by developing and transitioning technologies for contaminated ground water and sediment sites.

Answer. SERDP and ESTCP are now turning toward more challenging and complex sites that constitute the remaining liability under the Defense Environmental Restoration Program. If confirmed I will continue to support these programs and work to ensure that they are adequately funded and effectively executed.

CONGRESSIONAL OVERSIGHT

Question. In order to exercise its legislative and oversight responsibilities, it is important that this committee and other appropriate committees of Congress are able to receive testimony, briefings, and other communications of information.

Do you agree, if confirmed for this high position, to appear before this committee and other appropriate committees of Congress?

Answer. Yes.

Question. Do you agree, if confirmed, to appear before this committee, or designated members of this committee, and provide information, subject to appropriate and necessary security protection, with respect to your responsibilities as the Principal Deputy USD(ATL)?

Answer. Yes.

Question. Do you agree to ensure that testimony, briefings and other communications of information are provided to this committee and its staff and other appropriate committees?

Answer. Yes.

Question. Do you agree to provide documents, including copies of electronic forms of communication, in a timely manner when requested by a duly constituted com-

mittee, or to consult with the committee regarding the basis for any good faith delay or denial in providing such documents?

Answer. Yes.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR BILL NELSON

WASTEFUL SPENDING

1. Senator NELSON. Mr. Estevez, we are often so focused on the next budget to be passed that we consider the termination of a program as savings. According to a report from *Forbes* magazine, the Army has wasted \$32 billion on weapons projects since 1995 and both the Navy and Air Force cancelled their share of programs to save money. What lessons have we learned from cancelling these contracts?

Mr. ESTEVEZ. We have learned over the years that cancelling developmental programs is a mixed proposition.

When a program becomes less valuable due to changing threats or significant technical problems, such cancellations may be exactly the right thing to do—we avoid spending even more money on unaffordable or nonperforming programs. In such cases, we need to make cancellation decisions as early as possible.

The most important lessons we have learned from major program cancellations are to ensure a program is affordable from the start and to understand and track the key framing assumptions for each program. Blind optimism about long-range affordability does not serve us well; we must analyze long-range cost estimates relative to reasonable budgetary expectations early during requirements generation to make each program affordable. We must also understand the risks to cost and schedule inherent in framing assumptions and act early upon any changes to avoid incurring large sunk costs on programs. We must control requirements creep through methods such as configuration control boards.

Not all sunk costs are squandered when we cancel a program, however. Technology and manufacturing knowledge from such programs can be applied to some extent in other systems and programs.

The Department is managing our acquisition processes for improved efficiencies through our Better Buying Power initiative.

2. Senator NELSON. Mr. Estevez, how can we improve our acquisitions and procurement processes in the future to avoid this wasteful spending?

Mr. ESTEVEZ. The Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics has initiated several processes to improve acquisitions and procurement in our ongoing Better Buying Power initiative efforts. Below are some key elements:

First, we need to avoid starting or continuing programs that cannot be produced and supported within our future long-range budgets. Our process for affordability analysis must involve the requirements and resource communities to scope requirements early, set lifecycle cost constraints on programs, and enforce those constraints through cost-control measures and possible early tradeoffs of requirements.

Second, if we consider starting an effort with the intent of developing technology or designing capabilities, we must carefully select those efforts and weigh the costs and benefits of new technologies as we learn more as the program progresses. Then we must decide whether to halt an effort that initially appeared promising, or for which we may not need production in quantity in the short-term. In doing so, our program reviews and gates must be meaningful, deliberate, and more effective.

Third, we need to understand and monitor the key assumptions that frame each developmental program. Developing systems that push the state-of-the-art involves risks, uncertainty, and informed assumptions on technologies and operational paradigms. We must overtly consider these framing assumptions at program initiation, then establish and monitor indicators as assumptions prove to be true or not. Then we can intervene early to solve the problem or cancel the program before sinking significant resources into an unviable or immature capability.

Fourth, we must continue to increase the cost consciousness of the acquisition workforce. It is critical that we target affordability, control cost growth, and incentivize productivity and innovation while ensuring the best support to the warfighter. Our efforts must span across all acquisition and sustainment activities. In order to be successful, we need to instill a culture of cost consciousness through

sound business acumen, establishing clear expectations, and recognizing/rewarding the right behavior.

F-35 ACQUISITION

3. Senator NELSON. Mr. Estevez, the National Defense Authorization Act (NDAA) for Fiscal Year 2013 called for the purchase of 29 F-35 Joint Strike Fighter aircraft. Sequestration will slow the acquisition of these aircraft by three to four each year. How will sequestration affect the per unit cost of the future purchase of an F-35?

Mr. ESTEVEZ. The F-35 program was established on the concept of economies of scale for production costs. Any reduction in the procurement quantity of F-35s in a given year, either from our international partners or from a U.S. Service, will result in an increase in the cost of each remaining jet. The Department is assessing the impact that sequestration will have on the fiscal year 2013 budget; however, if sequestration is continued over the next 10 years, the impact on the F-35 program will be significant. In one scenario the Department of Defense (DOD) is considering, sequestration could result in a reduction of seven to nine U.S. aircraft from the fiscal year 2013 Low Rate Initial Production Lot 7 buy across all three Services producing a corresponding increase in the cost per jet in Lots 7–11 of approximately 2.3 percent.

4. Senator NELSON. Mr. Estevez, what is the effect on our allies and their desire to purchase F-35s?

Mr. ESTEVEZ. The F-35 program was established on the concept of economies of scale for purchases. Many of our allies and partners are facing financial challenges similar to what we are encountering. While there continues to be strong support from the Services in these countries, at the political level we are seeing increased scrutiny and pressures. Any change in the per unit cost of the F-35 in a given year may cause our partners to reassess their purchases in that year and potentially delay their procurement.

JOINT SURVEILLANCE TARGET ATTACK RADAR SYSTEM

5. Senator NELSON. Mr. Estevez, the Joint Surveillance Target Attack Radar System (JSTARS) aircraft have proven themselves in all recent conflicts, including Libya. The decision has been made to terminate the reengining program and the Air Force has indicated a need to upgrade the avionics sensors, as well as other systems to keep the aircraft viable. In light of the current budget environment and the need to recapitalize the fighter, bomber, and tanker fleet concurrently, do you believe it makes sense to modernize the JSTARS platform?

Mr. ESTEVEZ. Yes, it makes sense to modernize but such modernization must be prioritized along with other critical programs. Due to severe fiscal limitations, DOD is rationalizing how best to allocate its continued investment in the E-8C JSTARS modernization. The JSTARS program currently includes funds to operate and maintain the system through the Future Years Defense Program. In this austere budget environment, the limited JSTARS funding available was prioritized to address diminishing manufacturing sources in order to keep the aircraft mission capable. Any future JSTARS modernization or recapitalization will leverage ongoing technology development from other Defense programs and will be weighed against other DOD priorities.

QUESTIONS SUBMITTED BY SENATOR CLAIRE McCASKILL

CONTRACTING AND ACQUISITION

6. Senator McCASKILL. Mr. Estevez, I have already reached out to DOD to ask how officials plan to implement the major components of my wartime contracting reform legislation, which was signed into law as part of the NDAA for Fiscal Year 2013. Many of those provisions will fall within the responsibility of the Acquisition, Technology, and Logistics (AT&L) secretariat to carry out, including those that pertain to current contingency in Afghanistan. Will you commit to identifying whether AT&L has sufficient personnel to address the reforms required in these provisions?

Mr. ESTEVEZ. Yes, if confirmed, I will commit to identifying whether AT&L has sufficient personnel to address the reforms required in these provisions.

7. Senator McCASKILL. Mr. Estevez, are you committed to ensuring that the reforms are integrated into planning and training so that they will not be ignored in future contingencies? If so, what steps do you commit to taking?

Mr. ESTEVEZ. Yes, I remain fully committed, in partnership with appropriate DOD organizations, to include the Joint Staff, and the combatant commands, to integrate planning and training reforms to ensure improved contingency contracting performance and management during future contingencies.

Specifically, I will, if confirmed, continue ongoing efforts and initiate new efforts to institutionalize process tools (e.g., 3 in 1; Contingency Acquisition Support Module, and other business and planning tools used across the combatant commands) and doctrine that facilitate and strengthen both Contingency Contracting and Operational Contract Support (OCS). The Department has established the OCS Functional Capabilities Integration Board to actively monitor all ongoing and planned OCS related initiatives across the Department. The Board meets quarterly, or more often, as required, to conduct independent assessments and analyses of OCS capabilities (to include supporting doctrine, organization, training, materiel, leadership and education, personnel, and facilities of the armed forces). Additionally, the Department is in the process of revising pertinent guidance to address any weakness in our training with several new and revised OCS courses in the development phase.

8. Senator McCASKILL. Mr. Estevez, in a constrained fiscal environment, it is more important than ever to ensure that there is a sufficient number of trained acquisition and other management personnel capable of overseeing, not just executing, contracts by DOD to ensure that U.S. taxpayers' dollars are being spent wisely. How will you ensure that the quality and current level of oversight of contracts is maintained despite austere budgets?

Mr. ESTEVEZ. I agree contract oversight is a key element of ensuring taxpayer dollars are spent wisely. The largest portion of DOD contract oversight rests with the Defense Contract Management Agency (DCMA) and the Department has taken steps, aided by the Defense Acquisition Workforce Development Fund (DAWDF), to grow and strengthen the DCMA workforce. Since 2008, DCMA has increased its acquisition workforce by over 15 percent, and projects continued growth in the foreseeable future. Additionally, DCMA has bolstered its training programs and partnered with the Defense Acquisition University to establish the College of Contract Management to provide critical courseware that is both relevant and rigorous. If confirmed, I will work with the rest of the Department leadership to sustain these gains.

QUESTIONS SUBMITTED BY SENATOR JAMES M. INHOFE

EFFICIENCIES

9. Senator INHOFE. Mr. Estevez, for years DOD has embarked on several efficiency campaigns. Both Secretaries Gates and Panetta have included efficiency initiatives as part of the President's budget submission. Do you believe DOD has adequate tools to track efficiencies?

Mr. ESTEVEZ. Yes, DOD has the tools to track efficiencies. As you stated, Secretaries Gates and Panetta have included efficiency initiatives as part of the President's annual budget submission, and required the Department to track the status of the initiatives. The Department continues its process of tracking the status of each efficiency initiative to determine if the projected savings are on track, while at the same time assessing the associated program and milestone risks. For those efficiency initiatives under the purview of the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics, our efficiencies remain valid and at the projected levels.

10. Senator INHOFE. Mr. Estevez, how successful has DOD been in realizing the efficiencies already assumed in previous budget requests?

Mr. ESTEVEZ. DOD has been very successful implementing and realizing efficiencies assumed in recent budgets. There is a robust process of tracking the status of each efficiency initiative to determine if the projected savings are on track and whether there are associated program and milestone risks. For those efficiency initiatives under the purview of the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics, our efficiencies remain valid and at the projected levels. These initiatives enabled the Department either to reduce funding requirements or apply them to other high-priority requirements.

11. Senator INHOFE. Mr. Estevez, what lessons have you learned in the assumptions used in taking efficiencies?

Mr. ESTEVEZ. I have learned that no matter how many times you have looked for efficiencies in the past, there is always a way to improve the level of efficiency of your overall portfolio. However, in identifying efficiencies, it is paramount that the affected functional communities and oversight organizations be involved, and that any barriers to implementing or executing efficiencies be identified and addressed.

DEPOT IMPACT FROM DECREASED BUDGETS

12. Senator INHOFE. Mr. Estevez, you mentioned in your answers to the advance policy questions that “We must maintain a ready and controlled source of Government-owned and -operated depot maintenance capability by leveraging the principles of core and 50/50 statutes.” The prospect of a \$42 billion cut from the defense budget this year from sequestration and the pressure of underfunded readiness accounts due to the Continuing Resolution will have a devastating effect on depot and shipyard maintenance activities for the rest of the year. In your opinion, in this unprecedented fiscal environment, what can be done to preserve our defense depot capabilities?

Mr. ESTEVEZ. While leveraging the principles of core and 50/50 statutes will help us preserve the depot and shipyard critical capabilities, the magnitude of the reductions and shortfalls are forcing trade-offs between priority requirements across the Department. Negative impacts on depot workloads are unavoidable given the need to sustain operations in Afghanistan and meet our global commitments.

13. Senator INHOFE. Mr. Estevez, how will you maintain the critical skills of our depot and shipyard employees?

Mr. ESTEVEZ. DOD is required by title 10, U.S.C., section 2464, to maintain a core logistics capability. However, the reductions associated with sequestration have the potential to erode critical skills and capabilities over the long-term. If confirmed, I will ensure we attempt to protect critical skills by workloading the most critical capabilities.

14. Senator INHOFE. Mr. Estevez, if confirmed, what will you do to maintain an efficient and consistent workload through military depots if defense budget sequestration is allowed to occur?

Mr. ESTEVEZ. Unfortunately, due to operating under a Continuing Resolution for half of the fiscal year, implementation of sequestration and higher than anticipated Overseas Contingency Operations costs, the Services are reducing and cancelling third and fourth quarter depot inductions. Given the concentrated effect of this fiscal situation, the Services do not have sufficient funding to maintain current, consistent, nor efficient depot workload. In this environment, DOD and the Services will smooth workload adjustments by slowing throughput of existing funded work and pacing the remaining funded inductions while attempting to satisfy readiness requirements.

15. Senator INHOFE. Mr. Estevez, please describe how you plan to leverage the principles of core and 50/50 statutes during this budget crisis.

Mr. ESTEVEZ. Adherence to core and 50/50 statutes will help us preserve the depot and shipyard critical capabilities. Within that framework, DOD will allocate resources and execute schedules to minimize negative impacts to our depot capability and protect critical maintenance functions. This should enable the Department to protect critical capabilities in both the public and private sectors.

DEPOT WORKLOAD

16. Senator INHOFE. Mr. Estevez, the Military Services and the National Guard all operate military depots with a certain degree of capacity and workload duplication. The Logistics Management Institute pointed out in a February 2011 report that “at the strategic level, enhanced, integrated governance is required to best manage the day-to-day workload across all organic depot-level capabilities.” Do you agree with this statement?

Mr. ESTEVEZ. Yes, cross-Service strategic governance is provided through DOD regulations and instructions and executive committees and boards, such as the Maintenance Executive Steering Committee, the Joint Group on Depot Maintenance, and the Joint Logistics Board. The Department continually improves its strategic governance by enhancing the effectiveness and efficiency of these executive

bodies. In addition, the Department is in the final stages of issuing a revised Depot Source of Repair instruction that will enhance strategic assignment and establishment of depot capability.

17. Senator INHOFE. Mr. Estevez, in your opinion, what needs to be done within DOD to minimize workload duplication at a time when workload will be decreasing?

Mr. ESTEVEZ. While we have improved cross-Service collaboration and have had some success in workload reallocation to improve efficiency, DOD is limited in addressing capacity duplication with respect to existing capability. To mitigate unnecessary assignment of future workload, the Department is in the final stages of issuing a revised Depot Source of Repair instruction to enhance strategic assignment and establishment of depot capability by requiring single-departmental and single-Service sources of repair.

18. Senator INHOFE. Mr. Estevez, are we at the point that the Services should look to consolidating similar workloads, such as aircraft engines, into one facility?

Mr. ESTEVEZ. Yes, we are. Our current fiscal situation demands that we look at all opportunities to enhance efficiency and reduce our cost of operations. While we have improved cross-service collaboration and have had some success in workload reallocation to improve efficiency, DOD is limited in addressing capacity duplication with respect to existing capability. However, the Department is implementing a Depot Source of Repair instruction to prevent unnecessary assignment of future workload.

19. Senator INHOFE. Mr. Estevez, to what extent should the Military Services be allowed to manage their depot activities taking into consideration their unique mission requirements?

Mr. ESTEVEZ. The Services should manage their depot workload to meet their mission requirements; however, DOD's draft Depot Source of Repair instruction will ensure consideration of existing depot capability prior to establishing duplicate capability. Additionally, the Department's joint governance bodies, such as the Maintenance Executive Steering Committee, the Joint Group on Depot Maintenance, and the Joint Logistics Board enable collaboration and strategic decisionmaking.

20. Senator INHOFE. Mr. Estevez, do you believe the methodology for the determination of core depot requirements needs to be strengthened? If so, how?

Mr. ESTEVEZ. Yes, DOD is currently reviewing DOD Instruction 4151.20, "Depot Maintenance Core Capabilities Determination Process," and will assess current methodology with the objective of strengthening the requirements determination process. Given where we are in the assessment process, it is premature to identify specifics.

DEPOT POLICY

21. Senator INHOFE. Mr. Estevez, as you may know, we experienced a bit of turmoil over the last year on Federal statutes intended to provide guidance for the management of defense depot requirements. The Senate was successful in December in restoring the traditional framework, which has resulted in a balance over the years of a consistent workload for depots. Part of the agreement with DOD was to inform Congress of any potential depot policy changes before they take place. If confirmed, will you agree to share with Congress any concerns and/or policy issues related to the management of military depot activities before promulgating any policy changes to the Military Services?

Mr. ESTEVEZ. Yes, if confirmed, I will share any policy changes prior to implementation.

22. Senator INHOFE. Mr. Estevez, do you currently anticipate proposing any changes to depot policies?

Mr. ESTEVEZ. We are reviewing current policies for potential updates. We anticipate improvements in how we define depot maintenance to include clarification of modifications coincident with maintenance operations and software maintenance. We also anticipate adjustments that would address maintenance in support of systems that were acquired in nontraditional acquisitions. If confirmed, I look forward to working with the committees as we develop these proposals and will ensure our depot policies follow congressional intent.

BETTER BUYING POWER 2.0

23. Senator INHOFE. Mr. Estevez, DOD is currently developing its latest initiative designed to achieve continuous improvement. This enterprise, called Better Buying Power 2.0, places particular importance on improving not only the technical qualifications but experience and leadership skills of DOD's acquisition workforce. Ensuring DOD's acquisition workforce has greater experience and improved technical competence in order to achieve the goals of acquisition reform was a central argument in Ronald Fox's book, "Defense Acquisition Reform, 1960 to 2009: An Elusive Goal," and the Defense Science Board's 2009 study titled, "Creating a DOD Strategic Acquisition Platform". However, what is less certain are the means by which DOD intends to achieve a better trained and more experienced acquisition workforce. What are DOD's specific plans to increase the skills and experience of its acquisition workforce through the Better Buying Power 2.0 initiative?

Mr. ESTEVEZ. DOD is focused on increasing the professional skills and experience of its acquisition workforce through the Better Buying Power 2.0 initiative, which includes establishing higher professional qualification standards for Key Leadership Positions (KLPs) and the "Certification to Qualification" initiative.

The KLP initiative will define mandatory KLPs and establish core position requirements, qualifications, and attributes. The "Certification to Qualification" structure framework is currently in development and will focus on the demonstration and documentation of the skill sets required by the acquisition workforce in order to achieve successful acquisition results. The Defense Acquisition Workforce Development Fund (DAWDF) has proven to be a critical asset for the Department to increase the capacity and capability of its acquisition workforce. The DAWDF has enabled the DOD Components (Services, Defense Agencies, and other DOD organizations) to provide targeted training and leadership development programs for acquisition workforce personnel.

DEFENSE PRODUCTION ACT

24. Senator INHOFE. Mr. Estevez, as you may know, I've expressed concern that the wide ranging authorities contained in the Defense Production Act (DPA) are being used by DOD to spend \$170 million for the design and construction of a commercial biofuels refinery. Given the current budget crisis facing DOD are there higher priorities for the DPA, other than to construct a biofuels refinery, that are not currently funded?

Mr. ESTEVEZ. As one of the world's largest consumers of petroleum, the Department has an interest in diversification of fuel supplies as a hedge against potential supply disruptions, especially for our legacy fleet of ships and aircraft, which will be with us for decades to come. This initiative is consistent with the intent of the authorities of Title III of the Defense Production Act, which are uniquely focused on enabling multiple departments to leverage cost sharing with the private sector, and investing in capital expenditures, such as facility retrofits or wholesale construction.

The authority was specifically created to promote industrial production that would meet essential national defense requirements and assist in creating economically viable production capabilities. In addition to the biofuel initiative, the Title III Program is continuing to make significant investments in almost forty efforts by creating or expanding domestic production capabilities for essential materials and technologies. These include advanced lithium ion batteries for space and military applications, carbon nanotube and advanced composites for high-performance structural components, specialty steels, lightweight ammunition, and armor and advanced electronic components for next-generation radars and electronic warfare applications. We believe we are appropriately using DPA Authorities to meet our key priorities.

25. Senator INHOFE. Mr. Estevez, do you think that biofuels are a higher priority than the urgent requirements identified by the DPA Committee such as telecommunications security and the manufacturing of critical materials for military weapon systems by a country other than China? Please provide a list of the initiatives required to address shortfalls in metal fabrication, power and energy, telecommunications, and lightweight materials that are not currently funded.

Mr. ESTEVEZ. There are no unfunded DPAC initiatives. The biofuel initiative is being developed and executed concurrently with other important DPA Title III initiatives that will benefit our national defense needs and is not diverting resources from other DPA investments. The DPAC has recommended the following projects for which funds are available.

1. Metal Fabrication Study Group Heavy Forging Initiative: The DPA Title III Executive Agent is presently negotiating with the sole remaining domestic heavy forging company to modernize and expand their heavy forging capabilities that are critical for naval and other defense applications.
2. Telecommunications Study Group Optical Networks Initiative: The DPAC is working with interagency customers, including DISA and DoE that have identified a need for trusted domestic sources of hardware to support optical telecommunications capabilities.
3. Lightweight Materials Study Group: The DPAC is further defining interagency requirements for an investment in lightweight materials. Projects being developed include low cost carbon fiber and magnesium alloy processing.
4. The Power and Energy Study Group is developing initiatives for flexible solar cells for application such as Unmanned Aerial Vehicles as well as soldier portable power and power switching devices for power grid applications.

ACQUISITION REFORM

26. Senator INHOFE. Mr. Estevez, for the past several years, the Chiefs of the individual Services have repeatedly stated requirements creep is one of the major factors creating increased costs and delays in the acquisition of weapon systems. Specifically, additional capability requirements continue to be added during the development of weapons systems. Among other difficulties created by additional requirements is the redesign, and even rebuilding, of weapons systems. These concerns continue despite the fact the Joint Requirement Oversight Council must approve of any requirements changes. Therefore, what additional steps is DOD using to ensure requirements creep is reduced and to reform the Joint Capabilities Integration Development System?

Mr. ESTEVEZ. As a key factor in mitigating cost and schedule risk, control of requirements (including prevention of creep) is a priority Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics (USD(AT&L)) objective. DOD efforts are focused on definition of affordable, technically-executable requirements earlier in program development, identification of cost-informed tradespace, and robust oversight of requirements stability. Several initiatives have been introduced to address the drivers of changing requirements. Service Acquisition Executive-chaired Configuration Steering Boards (CSB) are intended as an oversight and controlling mechanism for proposed changes to requirements, stipulating annual identification of de-scoping options to reduce program cost or technical/schedule risk, and continuous monitoring of requirements stability. The USD(AT&L) Better Buying Power 2.0 initiative and DOD Instruction 5000.02 revision both advocate the CSB as a best practice to manage changes to requirements.

Recent revisions to the Joint Capabilities Integration and Development System process and business rules for the Joint Requirements Oversight Council have led to more flexible, rapid review, and, if necessary, modification of validated requirements that drive program cost or schedule growth beyond affordability caps. In addition, the Vice Chairman of the Joint Chiefs of Staff; USD(AT&L); and Director, Cost Assessment and Program Evaluation, as well as Service Vice Chiefs and Acquisition Executives, recently agreed to establish a periodic leadership forum to synchronize requirements, acquisition and programming, and budgeting activities. This will ensure further top-level leadership attention to emerging program difficulties caused by changing requirements and facilitate early engagement to ensure programs remain on track to provide timely and cost-effective capabilities to the warfighter.

QUESTIONS SUBMITTED BY SENATOR SAXBY CHAMBLISS

OHIO-CLASS SUBMARINE REPLACEMENT/MODERNIZATION

27. Senator CHAMBLISS. Mr. Estevez, you will be dealing with a litany of challenges from current budget constraints. According to your duties, you will aid in the establishing of policies for acquisition (including procurement of goods and services, research and development, developmental testing, and contract administration) for all elements of DOD. There is concern that in this time of fiscal uncertainty, the replacement of the *Ohio*-class submarine, a requirement for past Senate ratification of the new Strategic Arms Reduction Treaty (START), will be overlooked or delayed. How will you balance and maintain oversight of the modernization of crucial programs, such as the *Ohio*-class replacement program, during your time as the Under Secretary?

Mr. ESTEVEZ. DOD is dedicated to recapitalizing the SSBN force to provide the Nation's most survivable deterrence capability. The Department remains committed to an ultimate SSBN force level of 12, which is required to meet current U.S. Strategic Command (STRATCOM) strategic deterrence requirements.

To balance DOD priorities and meet fiscal constraints, the President's budget request for fiscal year 2013 shifted *Ohio*-class replacement's (OR) lead ship construction from fiscal year 2019 to fiscal year 2021 with all follow-on submarines also being shifted 2 years. The Department remains committed to accomplishing the design and construction in the most cost-effective manner possible.

This delay results in a 10-year reduction in SSBN force level. Delaying the start of construction adds risk to the Navy's ability to meet current STRATCOM requirements in the 2030s; however, during this time, neither the *Ohio*-class (nor the *Ohio* replacement) will have major overhauls planned, helping to mitigate the risk associated with a reduced force level during this period. The Navy will be closely managing this risk during this transition period. By 2042, OR construction plans will return the SSBN force level to 12, supporting the start of extended maintenance periods for the new class and removing on average 2 SSBNs from the operational fleet per year.

This delay will not materially affect the ability of the Department to support the President's commitment to a safe, secure, and effective nuclear deterrent as long as nuclear weapons exist. I believe that we must continue to aggressively scrutinize each of our programs to ensure we maintain critical capabilities in a fiscally responsible manner, which includes force modernization efforts such as the *Ohio*-class replacement.

ACQUISITION WASTE

28. Senator CHAMBLISS. Mr. Estevez, DOD, at times, has a dismal record in regards to its acquisition programs. In a report by the Center for Strategic and Budgetary Assessment, they estimate that in the last decade alone, \$46 billion has been utilized on programs that were never fielded to the force. Wasteful spending must be mitigated and eliminated in regards to our defense acquisition programs. What overhaul or changes will you implement to ensure that acquisition programs are feasible and executable?

Mr. ESTEVEZ. If confirmed, I will continue to support the evolution of the Department's Better Buying Power initiatives and related activities. I will facilitate the implementation of affordability analysis and cost constraints on programs; in particular, this will involve monitoring and enforcing affordability caps while working with the Service Acquisition Executives and the requirements community to address cases where, despite all efforts to control costs, the caps cannot be met. In addition, I will expand the use of identifying and monitoring key framing assumptions as a tool for informing decisions as early as possible.

Throughout all of these activities, I will support the development of our acquisition workforce. Program feasibility and executability rely on our ability to work openly and intelligently with our partners outside the immediate acquisition community to inform their decisions and expectations as to what capabilities our technology and industrial base can provide and at what cost and schedule.

SMALL BUSINESS ACT

29. Senator CHAMBLISS. Mr. Estevez, there is inherent value of small businesses in our economy which support public good especially in the economic advancement of disadvantaged demographics such as Veterans, Native Americans, Women, and Minorities. However, the Military Services all struggle to reach the 23 percent small business award goal set forth in the legislation of the Small Business Act. The Services often feel pressure to award a contract to small business to reach that goal, sometimes at greater expense to the taxpayer and lower quality to the warfighter. As a consequence, this adversely affects the cost and quality of capabilities needed by our warfighters. Also, equally worthy organizations such as non-profit institutions or educational organizations are excluded from contract competition. Given the current budget crisis facing DOD, how should we amend the Small Business Act to better serve the taxpayers and the warfighters?

Mr. ESTEVEZ. I believe that the Small Business Act, as implemented in the Federal Acquisition Regulation (FAR) and DOD FAR Supplement, properly protects the best interests of our warfighters and the taxpayers and, at this time, I do not believe that changes to the Small Business Act are needed to achieve that objective.

Although the Small Business Act requires that the Government-wide goal for small business prime contracts be established at not less than 23 percent, the Small Business Administration negotiates with agencies to establish individual agency goals that, in the aggregate, comprise the Government-wide goal. The fiscal year 2013 DOD goal for Small Business prime contracting is 22.5 percent. Among the Military Services, the Department of the Army has consistently exceeded the DOD goal, averaging 24.06 percent between fiscal year 2009 and fiscal year 2012.

Furthermore, it has not been my experience that awarding contracts to small businesses has resulted in greater expense to the taxpayer and lower quality to the warfighter. I note in this regard that the FAR Part 19.501(g) provides that, "Except as authorized by law, a contract may not be awarded as a result of a small business set-aside if the cost to the awarding agency exceeds the fair market price." FAR Part 9, pertaining to contractor qualifications, prescribes the policy at FAR Part 9.103 that, "Purchases shall be made from, and contracts awarded to, responsible prospective contractors only." I believe DOD's acquisition workforce strives to ensure that awarded contracts represent the best value to the Government and taxpayers, while ensuring that quality goods and services are provided. In my experience, rather than adversely affecting the cost and quality of capabilities, small businesses are an important source of cost-effective innovation critical to supporting the needs of our warfighters.

30. Senator CHAMBLISS. Mr. Estevez, how would you direct the Services to implement current exceptions to the FARs to protect educational or other non-profit institutions as well as our ability to achieve industrial mobilization?

Mr. ESTEVEZ. This is an important area and, if confirmed, I will monitor it closely. I believe the FAR permits educational and other non-profit institutions to participate in full and open competition for DOD procurements. I am unaware of instances where they have been prohibited from doing so. Additionally, protecting our ability to achieve industrial mobilization and protecting educational or other non-profit institutions providing critical support in this area can be addressed using FAR Part 6.302-3. This regulation provides that "Full and open competition need not be provided for when it is necessary to award the contract to a particular source or sources in order: (i) To maintain a facility, producer, manufacturer, or other supplier available for furnishing supplies or services, to achieve industrial mobilization," or "(ii) To establish or maintain an essential engineering, research, or development capability to be provided by an educational or other nonprofit institution or a federally funded research and development center."

Furthermore, most of DOD's work with educational and other non-profit institutions takes place pursuant to grant regulations rather than under the FAR. Therefore, at this time, I do not feel that it is necessary to provide additional direction to the Services to address these issues.

QUESTIONS SUBMITTED BY SENATOR KELLY AYOTTE

DEFENSE INDUSTRIAL BASE

31. Senator AYOTTE. Mr. Estevez, in your responses to the advance policy questions, you say that you are: "concerned about the impact that further defense budget cuts would have on the ability of the [industrial] base to provide the broad range of products and services that the Department and our Nation need." What impact would defense sequestration and a full year Continuing Resolution have on our defense industrial base?

Mr. ESTEVEZ. Although a full year Continuing Resolution did not materialize, Defense sequestration is expected to lead to unintended, unsafe, and wasteful consequences for the Department, some of which will have secondary effects that last for years. Sequestration will degrade capital market confidence in the defense industry. Companies have been less willing to make internal investments in their defense portfolio, including investments in innovation and design. The impact of sequestration will be even greater on smaller firms at the lower levels of the supply chain, where much of the innovation takes place. These smaller firms often lack the capital structure to withstand prolonged uncertainty. As a result, we expect to see additional merger activity and vertical integration at the lower tiers. Some firms, particularly the small firms with more fragile capital structures, may have to close their doors completely. Continued technological innovation and the financial viability of our defense industrial base are strongly in our national interest.

32. Senator AYOTTE. Mr. Estevez, what impact would this damage to our defense industrial base have on our warfighters?

Mr. ESTEVEZ. With reductions in funding, there is a likelihood that market forces and dynamics will lead to a restructuring of our industrial base. In a normal downturn cycle, these forces, and competition in general, can be positive in that they ensure industry is cost-effective and providing the greatest value for the taxpayer's investment. However, in a rapid or unstructured decline, the impact can have long-term negative consequences.

In the near-term, we could expect to see some consolidation within the smaller and mid-size firms in the industrial base, which may siphon away some critical skills, particularly in the areas of engineering and design. Our technological superiority on the battlefield relies on the skills of the engineering and design teams within industry. The loss of these design teams could have a long-term negative impact on the Department's ability to field the capabilities our warfighters need.

Recognizing the changing nature of the fiscal outlook, in 2011, the Department implemented a sector-by-sector and tier-by-tier approach to assessing the industrial base. This approach methodically assesses the criticality and fragility of DOD vendors, across sectors and down through the tiers, to identify critical skills and capabilities that if lost, could negatively affect the ability of industry to satisfy DOD requirements when called upon. In part, because of these analyses, the Department is better able to inform decisionmakers in the Services and at the Department level of the potential industrial capability impacts of budget decisions.

33. Senator AYOTTE. Mr. Estevez, how would this impact our national security?

Mr. ESTEVEZ. Defense cuts must be carefully managed to minimize the impact on national security. With reduced investment in the private sector, it is logical to expect some job losses as industry right-sizes to support the Department's needs. Defense cuts may disproportionately impact smaller firms at the lower levels of the supply chain because these firms lack the capital structure to withstand prolonged cuts. As a result, we will see additional merger activity and vertical integration at the lower tiers of the defense industrial base as companies reduce capacity to meet demand. This merger activity could lead to the loss of innovation and design capabilities in the industrial base. Mergers may result in reduced competition, which the government will have to monitor or address on a transaction by transaction basis. With reductions in design capabilities and production capabilities, we may see longer timelines to field, maintain, or overhaul equipment. We may also need, over the long-term, to invest significantly to restore lost capability and capacity during a crisis.

QUESTIONS SUBMITTED BY SENATOR MIKE S. LEE

BIOFUELS

34. Senator LEE. Mr. Estevez, in 2012, the Navy undertook the expensive "Great Green Fleet" demonstration, purchasing 450,000 gallons of biofuel at \$26 a gallon for a total of \$12 million spent on fuel for just one demonstration. The Air Force similarly spent \$639,000 on 11,000 gallons of biofuels for a demonstration in 2012, costing the taxpayer \$59 per gallon. With the prospect of sequestration and a much tighter defense budget in coming years, do you believe that the military should continue such large-scale demonstrations using biofuels? Please provide a yes or no answer, and if answering yes, please provide a justification as to why programs involving biofuels should be prioritized over other research and development programs.

Mr. ESTEVEZ. Yes, I believe that DOD should continue its modest investment in alternative fuels. As one of the world's largest consumers of petroleum, the Department has an interest in diversification of fuel supplies as a hedge against potential supply disruptions, especially for our legacy fleet of ships and planes, which will be with us for decades to come. Over the next 5 years, 96 percent of the Department's funding to improve operational energy use is devoted to reducing the amount of fuel required for military operations. The remaining 4 percent is a relatively small, but important investment in alternative fuels, which is a longer term strategy for our energy security. Most of this investment ensures that our equipment can operate on a wide range of fuels, so we are prepared if and when alternative fuels become commercially available. As petroleum is a finite resource, we believe this to be a prudent investment, and we have been performing these types of activities since 2003.

The Department's primary alternative fuels goal is to ensure operational military readiness and further the flexibility of military operations through the ability to use

multiple reliable fuel sources. To help achieve this goal, we released the DOD Alternative Fuels Policy for Operational Platforms in July 2012. The policy confirms that all investments are subject to rigorous, merit-based evaluation and that the Department will not make bulk purchases unless they are cost competitive with petroleum products. To date, the Department has only purchased relatively small test quantities of alternative fuels, which are used in testing, evaluation, or demonstration activities. These purchases are mostly prototypes and should not be equated with commercial fuels purchases. I will ensure that the Department complies with the existing internal policy.

FUTURE ACQUISITION PROCESS

35. Senator LEE. Mr. Estevez, with the prospect of sequester cuts to DOD this year and continuing cuts through the next 9 fiscal years, we must change the way that acquisitions are conducted in order to be more efficient and cost effective. Necessary acquisitions, such as our next generation fighter jet, have been plagued by delays and budget overruns. What lessons have been learned so far from the F-35 program that you will implement in future acquisitions?

Mr. ESTEVEZ. There are a number of lessons from the F-35 program that we are applying across the acquisition structure. The previously approved level of concurrency in the F-35 program was based on the expectation that improvements in engineering design tools and modeling and simulation capabilities would result in a reduced level of discovery in flight test compared to our historical experience with similar acquisition programs. However, we learned those assumptions were invalid and they have not replaced the need for careful and thorough developmental testing of complex weapons systems. We need to ensure acquisition strategies are based on sound technological judgment, reinforced with strong program management underpinned with proven systems engineering and appropriate developmental testing. We have introduced Better Buying Power initiatives that will reinforce strong acquisition discipline, manage costs and program affordability, and strengthen the acquisition workforce. I believe it is vital that the acquisition and engineering professional leadership in the Department exercise early active involvement in our acquisition programs, and regularly ensure sound program management, engineering, and testing for every program. A program based on sound acquisition and engineering principles will have the best chance to succeed and execute within its planned cost and schedule.

F-35 COST OVERRUNS

36. Senator LEE. Mr. Estevez, delays and cost overruns with the F-35 have caused some of our partner nations, most recently Canada and Australia, to reassess their acquisition of the jets. What effects will a reduction of purchases outside of the United States have on the program and the cost of the jet?

Mr. ESTEVEZ. The F-35 delivers joint- and partner-nation air power essential to our mutual security strategy and is a capability needed to defeat 21st century threats. The F-35 program was established on the concept of economies of scale for purchases. Any reduction in the planned procurement quantity of F-35s, either from the International Partners or from a U.S. Service, will result in an increase in the unit cost of each remaining F-35 to be procured. The amount of the cost increase will be a factor of how many jets are reduced from the currently planned procurement quantities, and in which years.

37. Senator LEE. Mr. Estevez, how are DOD and the Air Force working with our partner nations to address their concerns and maintain their participation in the program?

Mr. ESTEVEZ. The F-35 Program Executive Officer (PEO) and his staff actively engage the F-35 Partner nations on a daily basis. Members of the Partner nations are fully integrated into the F-35 Program Office. The PEO ensures open lines of communication to all of the Partners, so that all countries have the latest programmatic, technical, and financial updates to support their sovereign decisions on participation and purchases. Additionally, the Lead Service Acquisition Executive and the PEO host a number of forums throughout the year, such as the JSF Executive Steering Board, where all of the Partner nations can voice their concerns and have a discussion with senior program leaders. The Defense Acquisition Executive informs all of the Partner National Armament Directors on major U.S. budget developments affecting development and procurement accounts, in addition to hosting them annually (along with the CEOs of the larger F-35 defense contractors) to re-

view strategic level program progress and concerns. The F-35 program has demonstrated continued progress in a number of areas. Of paramount interest to the partner nations is affordability and they are encouraged with the continued cost reduction improvements realized in the unit cost of the aircraft. However, sequestration effects may negatively impact this improvement in affordability over the long-term.

[The nomination reference of Hon. Alan F. Estevez follows:]

NOMINATION REFERENCE AND REPORT

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
January 22, 2013.

Ordered, That the following nomination be referred to the Committee on Armed Services:

Alan F. Estevez, of the District of Columbia, to be a Principal Deputy Under Secretary of Defense, vice Frank Kendall III.

[The biographical sketch of Hon. Alan F. Estevez, which was transmitted to the committee at the time the nomination was referred, follows:]

BIOGRAPHICAL SKETCH OF ALAN FREDRIC ESTEVEZ

Education:

North Arlington High School, NJ

- 1971–1975
- High School Diploma awarded 1975

Rutgers University

- 1975–1979
- Bachelor of Arts Degree awarded 1979

Industrial College of the Armed Forces/National Defense University

- 1994–1995
- Masters of Science Degree awarded 1995

Employment Record:

Department of Defense

- Assistant Secretary of Defense (Logistics & Materiel Readiness)
 - August 2011–Present
- Principal Deputy Assistant Secretary of Defense (Logistics & Materiel Readiness)
 - November 2006–August 2011
 - Performing the Duties of the Assistant Secretary of Defense (Logistics & Materiel Readiness), April 2009–August 2011
- Assistant Deputy Under Secretary of Defense (Supply Chain Integration)
 - October 2002–November 2006
- Deputy, Office of the Assistant Deputy Under Secretary of Defense (Transportation Policy)
 - May 2000–October 2002
 - Acting Assistant Deputy Under Secretary of Defense (Transportation Policy), September 2001–December 2001
- Assistant for Traffic Management, Office of the Assistant Deputy Under Secretary of Defense (Transportation Policy)
 - December 1995–May 2000

Honors and awards:

Department of Defense Distinguished Public Service Award (2013)
 Department of Defense Distinguished Civilian Service Award (2011)
 Presidential Rank Distinguished Executive Award (2011)
 Presidential Rank Meritorious Executive Award (2006)

Office of the Secretary of Defense Medal for Meritorious Civilian Service (2005 & 2009)
 Service to America Medal, National Security Category (2005)
 Office of the Secretary of Defense Medal for Exceptional Civilian Service (2001)
 Office of the Secretary of Defense Award for Excellence (1997)
 Defense Logistics Agency Superior Civilian Service Award (1997)

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate to complete a form that details the biographical, financial, and other information of the nominee. The form executed by Hon. Alan F. Estevez in connection with his nomination follows:]

UNITED STATES SENATE
 COMMITTEE ON ARMED SERVICES

Room SR-228
 Washington, DC 20510-6050
 (202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF
 NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearings and will also be published in any hearing record as well as made available to the public.

1. **Name:** (Include any former names used.)
 Alan Fredric Estevez.
2. **Position to which nominated:**
 Principal Deputy Under Secretary of Defense (Acquisition, Technology, and Logistics).
3. **Date of nomination:**
 January 22, 2013.
4. **Address:** (List current place of residence and office addresses.)
 [Nominee responded and the information is contained in the committee's executive files.]
5. **Date and place of birth:**
 September 20, 1957; Kearny, NJ.
6. **Marital Status:** (Include maiden name of wife or husband's name.)
 Married to Susan Hideko Pearson (Ludrick).
7. **Names and ages of children:**
 N/A.
8. **Education:** List secondary and higher education institutions, dates attended, degree received, and date degree granted.
 Industrial College of the Armed Forces/National Defense University, Masters of Science in National Resource Strategy 1994-1995
 Rutgers University, Bachelor of Arts in Political Science 1975-1979
 North Arlington High School, NJ, High School Diploma 1971-1975
9. **Employment record:** List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.

Assistant Secretary of Defense (Logistics & Materiel Readiness), Department of Defense, Pentagon, Washington, DC, Aug. 2011–Present

Principal Deputy Assistant Secretary of Defense (Logistics & Materiel Readiness), Department of Defense, Pentagon, Washington, DC, Nov. 2006–Aug. 2011

- Performing the Duties of the Assistant Secretary of Defense (Logistics & Materiel Readiness) April 2009–August 2011

Assistant Deputy Under Secretary of Defense (Supply Chain Integration), Department of Defense, Pentagon, Washington, DC, Oct. 2002–Nov. 2006

Deputy, Office of the Assistant Deputy Under Secretary of Defense (Transportation Policy), Department of Defense, Pentagon, Washington, DC, May 2000–Oct. 2002

- Acting Assistant Deputy Under Secretary of Defense (Transportation Policy), Department of Defense, Pentagon, Washington, DC, Sept. 2001–Dec. 2001

Assistant for Traffic Management, Office of the Assistant Deputy Under Secretary of Defense (Transportation Policy), Department of Defense, Pentagon, Washington, DC, Dec. 1995–May 2000

10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

DOD Liaison to Board of Governors, Electronic Product Code Global (EPCGlobal), Global Standard 1 (GS1) (standard setting group) 2004–2011.

11. **Business relationships:** List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational, or other institution.

None.

12. **Memberships:** List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable, and other organizations.

Member, National Defense Industrial Association

Member, Museum of Modern Art, NY

Member, Defenders of Wildlife

Member, Friends of the National Zoo

Member, Corcoran Gallery

Member, WETA

Member, The Potomac Conservancy

Member, Habitat For Humanity

Member, National Parks Conservation Association

Member, The Nature Conservancy

Member, Rails to Trails

Member, Chesapeake Bay Foundation

Member, WAMU 88.5

Member, Philips Collection

Member, Potomac Appalachian Trail Club

Member, C&O Canal Trust

13. **Political affiliations and activities:**

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

None.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$100 or more for the past 5 years.

None.

14. **Honors and awards:** List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

Department of Defense Distinguished Public Service Award, 2013

Department of Defense Distinguished Civilian Service Award, 2011

Presidential Rank Distinguished Executive Award, 2011

Presidential Rank Meritorious Executive Award, 2006

Office of the Secretary of Defense Medal for Meritorious Civilian Service, 2005 & 2009

Service to America Medal, National Security Category, 2005

Office of the Secretary of Defense Medal for Exceptional Civilian Service, 2001
 Office of the Secretary of Defense Award for Excellence, 1997
 Defense Logistics Agency Superior Civilian Service Award, 1997

15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

Estevez, A.F. and S. Geary (2006), "RFID: The Future is Now," Exceptional Release Magazine, Summer 2006, pp 26–29.

Estevez, Alan F., (2005), "RFID Vision in the DOD Supply Chain," Army Logistian, May–June 2005, pp 5–9.

Estevez, A.F. and S. Geary (2004), "Lessons from the Desert," Supply Chain Management Review, November/December 2004, pp. 38–43.

16. **Speeches:** Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

I speak in my official capacity at various events about once a month on topics general DOD logistics topics. However, these are not formal speeches.

17. **Commitments regarding nomination, confirmation, and service:**

(a) Have you adhered to applicable laws and regulations governing conflicts of interest?

Yes.

(b) Have you assumed any duties or undertaken any actions which would appear to presume the outcome of the confirmation process?

No.

(c) If confirmed, will you ensure your staff complies with deadlines established for requested communications, including questions for the record in hearings?

Yes.

(d) Will you cooperate in providing witnesses and briefers in response to congressional requests?

Yes.

(e) Will those witnesses be protected from reprisal for their testimony or briefings?

Yes.

(f) Do you agree, if confirmed, to appear and testify upon request before this committee?

Yes.

(g) Do you agree to provide documents, including copies of electronic forms of communication, in a timely manner when requested by a duly constituted committee, or to consult with the committee regarding the basis for any good faith delay or denial in providing such documents?

Yes.

[The nominee responded to the questions in Parts B–F of the committee questionnaire. The text of the questionnaire is set forth in the Appendix to this volume. The nominee's answers to Parts B–F are contained in the committee's executive files.]

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

ALAN F. ESTEVEZ.

This 25th day of February, 2013.

[The nomination of Hon. Alan F. Estevez was reported to the Senate by Chairman Levin on March 20, 2013, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on October 30, 2013.]

[Prepared questions submitted to Mr. Frederick E. Vollrath by Chairman Levin prior to the hearing with answers supplied follow:]

QUESTIONS AND RESPONSES

DEFENSE REFORMS

Question. The Goldwater-Nichols Department of Defense Reorganization Act of 1986 and the Special Operations reforms have strengthened the warfighting readiness of our Armed Forces. They have enhanced civilian control and clearly delineated the operational chain of command and the responsibilities and authorities of the combatant commanders, and the role of the Chairman of the Joint Chiefs of Staff. They have also clarified the responsibility of the Military Departments to recruit, organize, train, equip, and maintain forces for assignment to the combatant commanders.

Do you see the need for modifications of any Goldwater-Nichols Act provisions? If so, what areas do you believe might be appropriate to address in these modifications?

Answer. Currently, I am not aware of a need for modifications to the act but if confirmed I will review its implementation and will recommend modifications if necessary.

DUTIES

Question. Section 138 of title 10, U.S.C., provides that Assistant Secretaries of Defense shall perform such duties and exercise such powers as the Secretary of Defense may prescribe.

This is a new position. Assuming you are confirmed, what duties do you expect to be assigned to you?

Answer. Upon my appointment as Principal Deputy Assistant Secretary of Defense for Readiness and Force Management (PDASD(R&FM)) in March 2012, it has been my task to establish the Office of Readiness and Force Management and I have been performing the duties of the Assistant Secretary of Defense for Readiness and Force Management. In this position, I have been serving as the principal advisor to the Secretary of Defense and the Under Secretary of Defense for Personnel and Readiness (USD(P&R)) on all matters relating to the areas of civilian and military personnel policies, readiness of the force, military community and family policy, Total Force planning and requirements, diversity management, equal opportunity, and transition policy.

Question. What background and experience do you have that you believe qualifies you to perform the duties of this position?

Answer. I have over 40 years of human resource management and executive leadership experience, including organizational development with an emphasis on strategic level efficiencies. I retired in the rank of lieutenant general after serving 35 years in the U.S. Army human resource management command and staff positions. I last served as the U.S. Army's Deputy Chief of Staff for Personnel (G-1), where I directed all aspects of human resources management and administration for the total Army. I have also served as the corporate Vice President of Human Resources (HR) for a large global Fortune 150 Company. I have the unique experience of both government and nongovernment HR experience.

Question. Do you believe that there are any additional steps that you need to take to enhance your expertise to perform these duties?

Answer. Upon starting in the position of PDASD(R&FM), I immediately conducted face-to-face meetings with my staff (collaborative and a open dialogue). I routinely meet with the deputy assistant secretaries, directors, and the Acting Under Secretary of Defense for Personnel and Readiness to stay informed of current issues and to adjust strategies as needed. I will continue to reach out to the Departments of Veterans Affairs and Labor and the Office of Personnel Management to better our efforts to collaborate in solutions to DOD HR issues.

MAJOR CHALLENGES

Question. In your view, what are the major challenges confronting the Assistant Secretary of Defense for Readiness and Force Management (ASD(R&FM))?

Answer. In my view, major challenges currently confronting the ASD(R&FM) include the reduced ability to accomplish all of our missions should sequestration and resulting furloughs of the civilian workforce come to pass; finding meaningful ways to combat the Department's rising level of suicides; sustaining the All-Volunteer Force during these fiscally challenging times, as well as ensuring that we have the right Force mix as we drawdown Service end strength while applying greater manpower to emerging areas of growth such as cyber; expanding the Transition Assistance Program (TAP) and implementing the new Civilian Personnel Performance Management System; ensuring the policy provisions are complete to adopt the

changes from the extension of Same-Sex Partner Benefits; and ensuring the Military Compensation and Retirement Modernization Commission has the appropriate DOD recommendations prior to the required deadline.

Question. If confirmed, what plans do you have for addressing these challenges?
Answer. If confirmed, I will work closely with the subject matter experts and leadership in these areas to develop proactive responses and approaches to ensure that all courses of action are timely and appropriate.

RELATIONSHIPS

Question. In carrying out these duties, what would be your relationship with the following officials:

The Secretary of Defense.

Answer. If confirmed, I would report through the USD(P&R) to the Secretary of Defense as this position reports directly to the USD(P&R).

Question. The Deputy Secretary of Defense.

Answer. If confirmed, I would report through the USD(P&R) to the Deputy Secretary of Defense as this position reports directly to the USD(P&R).

Question. The Under Secretary of Defense for Personnel and Readiness

Answer. The ASD(R&FM) reports directly to the USD(P&R) and serves as the primary advisor on all matters relating to the areas of civilian and military personnel policies, readiness of the force, military community and family policy, Total Force planning and requirements, diversity management, equal opportunity, and transition policy. The ASD(R&FM) also provides regular updates to USD regarding matters in ASD portfolio.

Question. The Assistant Secretary of Defense for Health Affairs.

Answer. Collaborates with ASD for Health Affairs on matters of mutual interest or are cross-cutting in nature.

Question. The Assistant Secretary of Defense for Reserve Affairs.

Answer. Collaborate with the ASD for Reserve Affairs on matters of mutual interest or are cross-cutting in nature.

Question. The Assistant Secretary of Defense for Logistics and Materiel Readiness (ASD(L&MR)).

Answer. The ASD(R&FM) collaborates with ASD(L&MR) on matters of mutual interest or are cross-cutting in nature.

Question. The Department of Defense General Counsel.

Answer. Seek advice on all legal matters or services performed within the office of the Assistant Secretary of Defense for Readiness and Force Management.

Question. The Department of Defense Inspector General.

Answer. Forward or respond to any instances of waste, fraud and abuse within the office of the ASD(R&FM) and cooperate with the Inspector General on any investigative activities.

Question. The Service Secretaries.

Answer. Collaborate with Service Secretaries on matters of mutual interest or are cross-cutting in nature. Seek Service input on major policy initiatives.

Question. The Assistant Secretaries for Manpower and Reserve Affairs of the Army, Navy, and Air Force.

Answer. Meet regularly with M&RAs to discuss key personnel issues. Collaborate on matters of mutual interest or are cross-cutting in nature and seek input on major policy initiatives.

Question. The Deputy Chiefs of Staff of the Army and Air Force for Personnel, the Chief of Naval Personnel, and the Deputy Commandant of the Marine Corps for Manpower and Reserve Affairs

Answer. Meet with Service Chiefs on key personnel issues. Collaborate on matters of mutual interest or are cross-cutting in nature.

Question. The combatant commanders

Answer. Formal communications to the commanders of the combatant commands normally is transmitted through the Chairman of the Joint Chiefs of Staff.

Question. The Joint Staff, particularly the Director for Manpower and Personnel (J-1)

Answer. Meet with J-1 on key personnel issues and collaborate on matters of mutual interest or are cross-cutting in nature.

DISABILITY SEVERANCE PAY

Question. Section 1646 of the Wounded Warrior Act, included in the National Defense Authorization Act for Fiscal Year 2008, enhanced severance pay and removed a requirement that severance pay be deducted from VA disability compensation for servicemembers discharged for disabilities rated less than 30 percent incurred in the

line-of-duty in a combat zone or incurred during the performance of duty in combat-related operation as designated by the Secretary of Defense. In adopting this provision, Congress relied on the existing definition of a combat-related disability contained in title 10 U.S.C. 1413a(e)). Rather than using the definition intended by Congress, the Department of Defense adopted a more limited definition of combat-related operations, requiring that the disability be incurred during participation in armed conflict.

What is your understanding of the number of servicemembers impacted by the DOD interpretation of "combat-related disability," and how did the DOD interpretation affect their compensation?

If confirmed, will you reconsider the Department's definition of combat-related operations for purposes of awarding enhanced severance pay and deduction of severance pay from VA disability compensation?

Answer. Since Enhanced Disability Severance Pay is outside the portfolio of OASD(R&FM), I do not have specific details on this program. I will ensure that the proper authorities, namely the Assistant Secretary of Defense for Health Affairs, understand the concern expressed here and encourage a review of policy to ensure equitable and fair treatment of our disabled servicemembers.

HOMOSEXUAL CONDUCT POLICY

Question. The law commonly referred to as "Don't Ask, Don't Tell" was repealed effective September 20, 2011. As part of the implementation of this repeal, the Secretary of Defense appointed a benefits review group to conduct a review of all potential benefits that could be made available to same-sex spouses. The report of this review group is long overdue and has been repeatedly delayed.

What is your view of the repeal of "Don't Ask, Don't Tell" (DADT)?

Answer. On July 22, 2011, the President, Secretary of Defense and Chairman of the Joint Chiefs of Staff certified that repeal was consistent with the standards of military readiness, military effectiveness, unit cohesion, and recruiting and retention of the Armed Forces. Repeal occurred September 20, 2011. I fully support the repeal of DADT.

Question. What is your assessment of the implementation of the repeal of this law?

Answer. Since September 20, 2011, the effective date of repeal, the Service Secretaries, the Service Chiefs and the combatant commanders have reported no significant issues related to implementation of the repeal of DADT. I believe this success can be attributed to the Department's comprehensive pre-repeal training programs, combined with the discipline of our servicemembers and continued close monitoring and enforcement of standards by our military leaders at all levels.

Question. What is the status of the report of the benefits review group? When is this group expected to issue its report?

Answer. Following repeal, the Department focused its attention to benefits. The Department conducted a deliberative and comprehensive review of the possibility of extending eligibility for benefits, when legally permitted, to same-sex domestic partners of servicemembers. The benefits were examined from a policy, fiscal, legal and feasibility perspective. That review has been finalized and the Secretary of Defense approved the extension of an additional two member-designated benefits and 22 additional benefits that are to be made available by August, 31, 2013 but no later than October 1, 2013.

Question. What is your view on the issue of providing military and survivor benefits to same-sex partners?

Answer. When DADT was repealed, there remained some areas where our members and their families were not treated equally. In some of these areas, the Department can take administrative action that better cares for members and their families, consistent with the law. When servicemembers don't have to worry about their families back home, they can better focus on the mission.

Question. If confirmed, will you ensure that completion of the report of the Benefits Review Group is expedited and provided to Congress?

Answer. The Joint Benefits Review Working Group was chartered to provide recommendations to the Secretary of Defense on benefits that could be extended from a policy, fiscal, legal and feasibility perspective. The Secretary of Defense made his decision concerning the recommendation and released a memo on February 11, 2013 detailing which benefits would be extended.

RELIGIOUS GUIDELINES

Question. What is your understanding of current policies and programs of the Department of Defense regarding religious practices in the military?

Answer. Current policies and programs of the Department of Defense regarding religious practices in the military ensure servicemembers' rights to observe the tenets of their respective religions, as well as to hold no specific religious conviction or affiliation. The Chaplaincies of the Military Departments advise and assist commanders in the discharge of their responsibilities to provide for the free exercise of religion in the context of military service as guaranteed by the Constitution, assist commanders in managing Religious Affairs and serve as the principal advisors to commanders for all issues regarding the impact of religion on military operations.

Question. In your view, do these policies appropriately accommodate religious practices that require adherents to wear items of religious apparel or adhere to certain grooming practices related to their faith?

Answer. Current policies allow for consideration of accommodations of religious apparel that do not interfere with the performance of military duties. If confirmed, I will continue to work with the Military Services to ensure that we maintain the right balance between military uniform and appearance standards and servicemembers' personal religious practices.

Question. In your view, do these policies appropriately accommodate the free exercise of religion and other beliefs without impinging on those who have different beliefs, including no religious belief?

Answer. Yes, in my view, current policies appropriately accommodate the free exercise of religion for all servicemembers in the pluralistic environment that is the U.S. military. The Department of Defense does not endorse any one religion or religious organization, and provides free access of religion for all members of the military services. The Department respects (and supports by its policy) the rights of others to their own religious beliefs, including the right to hold no beliefs. If confirmed, I will continue to monitor and assess these policies.

Question. What is your assessment of measures taken at the Service Academies to ensure religious tolerance and respect?

Answer. My assessment is that these measures have been successful in fostering religious tolerance and respect. Systems are in place to provide the means for cadets to address and resolve any perceived unfair treatment on the basis of race, national origin, color, gender, and/or religious affiliation, or sexual harassment. Servicemembers can use the chain of command, Inspector General or Equal Opportunity channels to raise concerns.

Question. In your view, do existing policies and practices regarding public prayers offered by military chaplains in a variety of formal and informal settings strike the proper balance between a chaplain's ability to pray in accordance with his or her religious beliefs and the rights of other servicemembers with different beliefs, including no religious beliefs?

Answer. Existing policies provide military chaplains with sufficient guidance that allows them to balance, in both formal and informal settings, their own faith practices with the rights of others who may hold different or no religious beliefs. I acknowledge that this at times can be a difficult balance to achieve, and if confirmed, I will continue to work with the civilian and military leadership of the Department to ensure this balance is maintained.

Question. The Independent Review Related to Fort Hood observed that "DOD policy regarding religious accommodation lacks the clarity necessary to help commanders distinguish appropriate religious practices from those that might indicate a potential for violence or self-radicalization." Recommendation 2.7 of the Final Recommendations urged the Department to update policy to clarify guidelines for religious accommodation and Recommendation 2.8 urged the Department to task the Defense Science Board to "undertake a multi-disciplinary study to identify behavioral indicators of violence and self-radicalization ...".

What is your view of this recommendation?

Answer. Ensuring appropriate accommodations for the free exercise of religions and protecting servicemembers from violence and harm are both of vital importance. Pursuant to Recommendation 2.7, the Department updated its policy on religious accommodation to ensure religious freedoms and practices are accommodated to the fullest extent possible considering mission readiness, discipline and unit cohesion. This policy is currently under revision to incorporate language from The National Defense Authorization Act (NDAA) for Fiscal Year 2013, section 533 which protects the rights of conscience of members of the Armed Forces and chaplains. Regarding Recommendation 2.8, the Department did task the Defense Science Board (DSB) to undertake a study. The DSB recently completed their study and found that it could not determine a specific list of behaviors that would indicate risk of violent/extremist behavior. If I am confirmed, I will continue to provide oversight regarding the implementation of the recommendations of the Fort Hood Review.

Question. Will you work to ensure that a scientific factbased approach to understanding radicalization will drive the Department's relevant policies on this topic?

Answer. Yes, if confirmed I will review the Department's existing policies and its plans to address these challenges and determine what, if any, changes should be made. I agree that any changes to how the Department approaches this issue should be based on a solid factual foundation.

MUSLIMS IN THE U.S. MILITARY

Question. In your view, did the attack at Ft. Hood encourage harassment or even violence against Muslims in the military?

Answer. The incident at Fort Hood was a tragedy and an isolated event. We must not allow the circumstances surrounding that incident to compromise the military's core values regarding the free exercise of religion and to ensure that we treat every servicemember with dignity and respect. Each servicemember has the right to practice his or her religious faith without fear of persecution or retribution. This is a core value of our Country and our military.

Question. If confirmed, what strategies would you advocate to address the potential for harassment or violence against Muslims in the U.S. military?

Answer. This sort of behavior or any form of cruelty and maltreatment is inconsistent with the military's core values, detracts from combat capability, and has no place in the Armed Forces. Through ensuring clear and consistent policy, commanders and leaders at all levels will have the guidance necessary to maintain an environment that promotes dignity and respect, and will hold them accountable for preventing harassment or mistreatment.

HAZING

Question. Numerous incidents of hazing have been reported during the last year, several of which involved suicide by hazing victims. Although several of those who committed the hazing were prosecuted, they were acquitted of the most serious allegations.

Does the Department of Defense have a comprehensive policy addressing hazing? If so, what is the policy and where is it documented?

Answer. A 1997 Secretary of Defense policy memorandum prohibiting hazing is unambiguous; however, the guidance clearly states it is contrary to good order and discipline and is unacceptable behavior. This guidance also defines the prohibited conduct which constitutes hazing as well as guidance for dealing with violations.

Recent leadership statements have continued to emphasize that such behavior will not be tolerated, to include the Secretary of Defense message of December 2011, the Secretary of the Army's tri-signed message of January 2012, and the All Marine Corps Activities message and revised Marine Corps Order 1700.28A of February 2012.

Question. In your view, should the Uniform Code of Military Justice be amended to specifically prohibit hazing? Are other changes to the UCMJ needed to adjudicate allegations of hazing?

Answer. It is my understanding that the Joint Service Committee on Military Justice has completed its review of hazing as a separate offense under the Uniform Code of Military Justice (UCMJ) and the associated report is currently under departmental review.

Question. If confirmed, what actions will you take to address the issue of hazing?

Answer. The DOD Hazing Review Team is actively examining responsive courses of action in three focus areas—policy, training and education, and reporting—all reinforce the Department's position that hazing is unacceptable behavior.

WOMEN IN THE MILITARY

Question. Secretary Panetta, at the recommendation of the Joint Chiefs of Staff, recently rescinded the policy restricting the assignment of women to certain units which have the primary mission of engaging in direct ground combat operations, and has given the military services until January 1, 2016, to open all positions currently closed to women, or to request an exception to policy to keep a position closed beyond that date, an exception that must be approved by the Chairman of the Joint Chiefs of Staff and the Secretary of Defense.

Do you support Secretary Panetta's decision?

Answer. Yes, I support the measures Secretary Panetta has taken to expand the positions available to women.

Question. What is your view of the appropriate role for women in the Armed Forces?

Answer. I believe success in our military is based upon ability, qualifications and performance of a person consistent with our values and military readiness. I don't believe there is an appropriate role for men or for women, rather there is an appropriate position for anyone who can meet the requirements of that position.

Question. Do you believe it is in the national security interest to rescind the policy restricting assignment of women to certain units which have the primary mission of engaging in direct ground combat operations? Why or why not?

Answer. Yes, it is in the best interest of this nation to permit the most qualified individual, who meets the requirements of a position, to serve in that position regardless of gender.

Question. If confirmed, what action will you take to ensure that physical standards will be realistic and will preserve military readiness and mission capability?

Answer. The Department of Defense is aware of Public Law 103-160, section 543, which prohibits the Department from changing an occupational performance standard for the purpose of increasing or decreasing the number of women in that occupational career field. To ensure physical standards are being properly developed and accurately correlate with the requirements of the position or occupation, we have partnered with RAND to assess the Services' work against industry standards.

Question. Do you believe that decisions to open positions should be based on bona fide military requirements? If so, what steps will you take, if confirmed, to ensure that such decisions are made on this basis?

Answer. It is not a requirement to have women in these positions; rather it is in the best interest of the Department to allow both men and women who meet the standards for these positions to compete for them. This is not a program to put women into direct ground combat positions; it's a program to remove gender as a selection disqualifier and, if confirmed, I will ensure that such decisions are consistent with that approach.

Question. Some family members have expressed concerns about assigning women to what are currently male-only combat units.

To what extent do you believe that this will be a problem in the implementation of this policy?

Answer. It's normal for family members to have concerns about their loved ones, however I expect our commanders to select qualified personnel, male or female. Additionally, we have had a number of women in newly opened units since mid-2012, and have already experienced successful integration of women into formerly male-only units.

Question. If it is a problem, what steps would you take if confirmed to address it?

Answer. We've required the Services to provide us quarterly feedback on their elimination of gender-restrictive policy, which includes feedback on the status of women in these newly opened positions. If problems are encountered, I will, if confirmed, examine the issue and address it considering all dimensions and all recommendations consistent with sustaining readiness.

PERSONNEL AND ENTITLEMENT COSTS

Question. Personnel and related entitlement spending continues to grow and is becoming an ever increasing portion of the DOD budget.

What actions do you believe can and should be taken, if any, to control the rise in personnel costs and entitlement spending?

Answer. Congress, in the 2013 National Defense Authorization Act, established a Military Compensation and Retirement Modernization Commission. Currently, the Department is reviewing all aspects of military compensation and benefits in order to provide recommendations to the Commission later this fall.

As a Department, we must continually strive to balance our responsibilities to our servicemembers, to the Nation, and to the American taxpayers. If confirmed, I am committed to exploring options to find savings and more efficient alternatives to help control the rise in personnel and entitlement costs while still fully supporting our men and women in uniform and the All-Volunteer Force.

Question. In your view, can the Department and the Services efficiently manage the use of bonuses and special pays to place high quality recruits in the right jobs without paying more than the Department needs to pay, or can afford to pay, for other elements of the force?

Answer. Bonuses and special and incentive pays are some of the most cost effective tools available to the Services. These tools provide effective and easily targetable incentives without the long-term costs associated with entitlements and are generally much more cost-effective than across-the-board pay increases. Like any compensation program, however, these tools must be continually monitored to en-

sure they are used both efficiently and effectively and that the Department is receiving best value for its dollars. If confirmed, I will continue to work to ensure our bonus and special and incentive pay programs are administered effectively and efficiently.

DEPENDENT CARE AND FLEXIBLE SPENDING ACCOUNTS

Question. The 10th QRMCM recommended providing dependent care and flexible spending benefits to Active Duty servicemembers. Providing these benefits would seem consistent with the initiatives of First Lady Michelle Obama and Dr. Jill Biden on behalf of military families. It would appear that no new legislative authority is needed for the Department to provide these benefits to servicemembers and their families.

If confirmed, would you extend these benefits to the Active Duty servicemembers and their families?

Answer. In response to the 2006 National Defense Authorization Act, the Department examined and provided a report on the possibility of providing a flexible spending account to military members. The report identified a number of advantages and disadvantages to the Department offering an Flexible Spending Account (FSA) for military members. The central issue was a debate of whether the tax advantage to military members would warrant the cost the Department would incur implementing and managing such a program. Generally, military members pay very little out of pocket for their health care and are in a low tax bracket. Therefore, the majority of active duty military members would see little, if any, benefit to implementation of an FSA. Finally, most reservists, who typically receive medical care outside the military system, already have access to an FSA.

SUICIDE PREVENTION

Question. The numbers of suicides in each of the Services continues to concern the Committee. The Army released a report in July 2010 that analyzed the causes of its growing suicide rate and examined disturbing trends in drug use, disciplinary offenses, and high risk behaviors. In addition, studies conducted by the Army of soldiers and marines in theater showed declines in individual morale and increases in mental health strain, especially among those who have experienced multiple deployments.

In your view, what role should the Department of Defense play in shaping policies to help prevent suicides both in garrison and in theater and to increase the resiliency of all servicemembers and their families, including members of the Reserve components?

Answer. Suicide is a complex problem and each individual circumstance is unique. However, I strongly believe that suicide prevention is a leadership responsibility, and the Department encourages everyone to responsibly seek professional behavioral health and other services.

To address the factors that contribute to suicidal behavior, I believe the Department must support a culture that promotes total force fitness and resilience. This requires both military and civilian leaders to be knowledgeable on how to enhance protective factors and a positive working environment. It means involving families in solutions and care planning. Peers and non-medical case managers also need to foster resilience and build a supportive community.

If confirmed, I will partner with the Services to ensure suicide prevention and resiliency building are emphasized at all levels along with the promotion of help-seeking behaviors and improving access to behavioral health care. I will focus on finding best practices and using them to provide guidance from which the Services can most effectively operate their suicide prevention programs across the total force.

READINESS RESPONSIBILITIES

Question. Section 136 of title 10, U.S.C., gives the Under Secretary of Defense for Personnel and Readiness certain responsibilities for military readiness. Some important issues that affect military readiness, however, such as logistics and materiel readiness, have been placed under the jurisdiction of the Under Secretary for Acquisition, Technology, and Logistics.

What is your understanding of the responsibilities of the Under Secretary of Defense for Personnel and Readiness in exercising policy and program oversight of military readiness, including materiel readiness?

Answer. The responsibilities of the USD(P&R) are to develop policies, plans, and programs for the total force and its allocation among the DOD components, and between the Active and Reserve components, to ensure efficient and effective support of wartime and peacetime operations, contingency planning, and preparedness. As

part of these responsibilities, the USD(P&R) coordinates closely with the USD(AT&L) by reviewing and evaluating the requirements of the Defense Acquisition Board's major defense acquisition programs and proposed weapons systems for personnel, training, and readiness implications.

Question. If confirmed, what would you propose as the most critical objectives to improve policy and program oversight over military readiness?

Answer. One of the most critical objectives facing the Department is to oversee the Service's transition, as rapidly as possible, from a counterinsurgency focused force to a Joint force capable of operating effectively across the full range of military operations. This is driven by the recognition that despite today's fiscal challenges, our forces will be expected to provide enhanced presence, deterrence, and must also be prepared to respond rapidly to emerging crises in a diverse and complicated global environment. Specifically, we must create a Joint force capable of maintaining our commitment to rebalancing our global posture and presence to the Asia-Pacific region. These requirements call for a leaner force that is more agile, ready, and technologically advanced. Achieving this force will take time and other resources to fully achieve.

This transition is not about returning to pre-September 11 force profile and readiness standards. The global dynamic, pace of activity, and our military's global responsibilities have changed since then. We must again be ready for a wide range of possible missions across the spectrum of conflict.

Question. If confirmed, how would you work with the Military Departments as well as other Office of the Secretary of Defense offices to achieve them?

Answer. Military readiness, by its very nature, has some relevance for nearly every one of the DOD components. For this reason, my office must work closely with other OSD offices, the Services, the Joint Staff, the combatant commands, and the Combat Support Agencies (CSAs) to ensure we are all moving toward the same goals.

One of the primary mechanisms for ensuring coordination and synchronization with the DOD components on readiness issues is our participation in the Deputies Management Activities Group (DMAG). The Readiness DMAG series focuses on the Department-level readiness issues that impact current and future military readiness. In support of these DMAGs, the Deputy Assistant Secretary of Defense for Readiness has created a readiness forum that is co-lead by the Joint Staff J-3 and comprised of Service readiness leads, SOCOM, nearly every OSD component, and several representatives from across the Joint Staff. This forum meets regularly and serves as an important venue to raise critical readiness concerns as well as share management best practices.

Question. What is your understanding and assessment of the Department's systems for readiness reporting and monitoring of military forces?

Answer. With the deployment of the Defense Readiness Reporting System (DRRS) and the pending integration of the traditional Status of Resources and Training System (SORTS), the Department's systems are fully capable of capturing accurate and timely readiness reporting indicators. The traditional SORTS metrics provide critical information to the Services that assist in force management and train, organize, and equip decisions. The DRRS provides capability assessments for what the Service's provide that enable better COCOM assessments on their ability to execute the Defense Strategy.

Question. In your view, does the current readiness reporting system accurately and reliably collect and display the information necessary to establish that our forces are not only "ready" but "ready for what"?

Answer. DRRS, has the capability for all organizations, Service, Joint, and the CSAs, to assess their readiness for any and all missions. The use of Mission Essential Tasks in these assessments provides the fidelity and flexibility for organizations and tactical units to express what capabilities they can provide and what missions they are ready to execute.

READINESS OF THE ARMED FORCES

Question. The Joint Chiefs recently stated that "the readiness of our Armed Forces is at a tipping point. We are on the brink of creating a hollow force due to an unprecedented convergence of budget conditions and legislation that could require the Department to retain more forces than requested while underfunding that force's readiness."

How do you currently assess the readiness of the Armed Forces?

Answer. In my assessment, our military forces are exceptionally prepared for the missions they have undertaken for the last 11 years. The investments the Nation has made in training technologies, force protection, command and control, and intel-

ligence, surveillance and reconnaissance systems have helped maintain our military's standing as the most formidable force in the world. Today our forces are postured globally, conducting counterterrorism, stability, and deterrence operations, maintaining a stabilizing presence, conducting bilateral and multilateral training to enhance our security relationships, and providing the crisis response capabilities required to protect U.S. interests. In the event of an unexpected crisis, large-scale conflict, or a threat to the Homeland, ready forces are available to provide the surge capacity to meet wide-ranging operational challenges today.

Question. Do you agree with the Joint Chiefs that readiness is at a tipping point?

Answer. Maintaining ready forces is a priority and I share that concern with the Joint Chiefs. The current fiscal environment makes maintaining readiness very difficult. Managing readiness after a decade of war was bound to be challenging irrespective of fiscal considerations because the Services are beginning the difficult process of resetting and restoring our force's ability to conduct the full range of military operations as required by the current defense strategy.

I believe there is a very real possibility that the readiness effects of sequestration or indefinite operation under a Continuing Resolution could be devastating. These effects are likely to reduce readiness both directly, through reductions in operations and training, and indirectly through effects on personnel and equipment. Some of those indirect effects, especially those that effect personnel or spares pipelines, could take years to realize and even longer to mitigate.

Question. If confirmed, how would you assess the impact of budget conditions on the issue expressed by the Joint Chiefs of a hollow force?

Answer. I think that we can all agree that sequestration is not an effective method to both reduce the Department's budget and minimize the impact to the readiness of the force. I agree with Secretary Panetta's description of the current circumstances as a "perfect storm". Adding the devastating effects of sequestration on top of continuing to operate under a Continuing Resolution will likely cause circumstances that are guaranteed to reduce readiness both directly, through reductions in operations and training, and indirectly through circuitous effects on personnel and equipment.

Question. How would you define a hollow force?

Answer. A hollow force is a force that has been rendered incapable of performing the mission that we expect it to conduct. While the units may exist, they would not have the personnel, equipment, and/or training necessary to make them capable of executing the defense strategy or responding to the most likely contingencies.

Question. As the United States draws down the number of forces deployed to Afghanistan, Commanders have voiced concerns about leadership challenges for forces in garrison after 12 years of sustained combat operations.

If confirmed, what could be done at your level to assist commanders with force management and readiness?

Answer. I think many of the programs the Office of the Assistant Secretary of Defense for Readiness and Force Management provides oversight on are essential to commanders both in garrison and while deployed. These programs such as suicide prevention, safety, drug demand reduction, and a multitude of family programs will continue to be essential to commanders to help maintain the health of the force. Additionally, our role to provide oversight of the readiness of the Services to provide manned, trained and equipped forces puts us in a good position to engage with commanders at all levels as they adapt what being ready means as we transition from a counterinsurgency operation focused environment to a more full spectrum capable force. In the past year, our R&FM team has established a rich dialogue with the Services over these challenges.

Question. What will be your roles and responsibilities in monitoring Service goals for reset and reconstitution of combat forces and equipment?

Answer. If confirmed, I will work closely with the Services and Joint Staff to monitor the Service's progress in meeting their goals for reset, reconstitution and a return to the full range of military operations as required by the current defense strategy with clear emphasis on proper training.

READINESS MONITORING

Question. Section 117 of title 10, U.S.C., directed the DOD to "establish a comprehensive readiness reporting system for the Department of Defense" which led to the creation of the Defense Readiness Reporting System (DRRS).

What is your understanding of the responsibility you will have, if confirmed, for the implementation and operation of DRRS?

Answer. If confirmed, I will have direct oversight of the DRRS Implementation Office and ensure the program reaches its Full Operational Capability (FOC) as effi-

ciently and effectively as possible. Additionally, moving forward from FOC, through the DRRS Executive Committee, in conjunction with the Joint Staff, I will ensure the Department's future reporting needs continue to be addressed.

Question. What is your understanding of the relationship between the Assistant Secretary of Defense for Personnel and Readiness and the Assistant Secretary of Defense for Logistics and Material Readiness with regard to the implementation and operation of DRRS?

Answer. Materiel readiness is a key component of the Department's ability to accomplish its assigned missions. Under the auspices of ASD(R&FM), DRRS provides ASD(L&MR) the forum to understand materiel readiness effect on the Department's current operations and contingency plans.

Question. What is your understanding and assessment of the current implementation and operating capabilities of the DRRS?

Answer. DRRS is in use across the Department today providing up-to-date readiness information. Presently, an updated version of the system, which fully incorporates the Department's net-centric architecture to consume and serve up data, is undergoing formal third-party testing to validate its accuracy, suitability, and effectiveness. All testing results to date have been positive and the newly tested version of DRRS should be ready for release later this summer.

Question. How satisfied are you of the current ability of the DRRS to inform and contribute to the development of the National Security Strategy?

Answer. DRRS is a critical Global Force Management capability that supports the National Military Strategy (NMS) which contributes to the National Security Strategy. Specifically, DRRS provides near real-time capability-based readiness of the combatant commands, Services, and Joint Organizations. DRRS also provides the ability to view mission capability and readiness metrics for all DOD organizations which drives plans and actions to ensure mission accomplishment. Finally, DRRS uses Joint and Service provided authoritative data sources in a web-based architecture providing greater fidelity for refined analysis and force management. DRRS provides the holistic picture of the DOD from the highest levels to the tactical to inform the NMS.

Question. How satisfied are you of the current ability of the DRRS to inform and help shape the development of the defense planning guidance provided by the Secretary of Defense pursuant to section 113(g) of title 10?

Answer. DRRS permits the Secretary to effectively comply with items section 113(g) of title 10, as the means by which the Secretary is able to evaluate the Department's readiness to execute its missions and contingency plans. Additionally, the nature of DRRS and its incorporation of the Civil Support Task List allows the Department to evaluate plans for providing support to civil authorities.

Question. How satisfied are you of the current ability of the DRRS to inform and assist the Chairman of the Joint Chiefs of Staff in prescribing the National Military Strategy?

Answer. DRRS provides the Chairman of the Joint Chiefs with relevant readiness data to help determine whether combatant commanders can perform their assigned missions and associated Mission Essential Tasks (METs) in a joint, interagency, and multinational operational environment. Involved in this determination are Service assessments of their ability to conduct missions as part of a Joint organization. These assessments are analyzed quarterly in the Joint Forces Readiness Review providing the Chairman a comprehensive view of readiness across the force.

Question. Do you have any concerns about whether the Quarterly Readiness Report to Congress (QRRC) is providing the best mix of information to clearly inform Congress of the readiness of the Joint Force, including near-term risks and areas where congressional action may be needed?

Answer. The QRRC provides a large amount of information and data as they relate to the overall readiness of our Armed Forces. However, we feel this report can be improved, particularly in view of an austere budget climate and the impact that might have on the readiness of our Total Force. We would like to work with the congressional staffs in these matters and, if confirmed, I stand ready to brief and discuss the QRRC at any time.

Question. Are you aware of any readiness information in use within DOD that is not currently shared with Congress that would be useful for the exercise of congressional oversight?

Answer. No, I am not aware of any current readiness information that is not shared with Congress.

FOREIGN LANGUAGE PROFICIENCY

Question. In previous reporting, the GAO has identified challenges that DOD and the Services face in identifying pre-deployment training requirements for language proficiency and limitations with some of the Services information management systems to record language proficiency information.

What are the current predeployment language training requirements for individuals or units deploying to Afghanistan and other geographic combatant commands areas of responsibility and what steps has DOD taken to ensure that forces have the required levels of language proficiency?

Answer. In 2012, the Commander, U.S. Forces Afghanistan, specified the predeployment language and culture training required for all U.S. personnel deploying to Afghanistan. This policy acknowledged that various missions would place differing demands on U.S. personnel based on the anticipated degree of interaction with the Afghan population. The Department supports this policy with on-line training modules for basic cultural and communications skills for personnel expecting minimal contact with the local population. For the personnel expected to interact with Afghan personnel for the majority of their missions, DOD offers Language Training Detachments and command-sponsored classroom programs to supplement its HEADSTART 2 language and culture training modules offered by the Defense Language Institute Foreign Language Center (DLIFLC). Mobile Training Teams from DLIFLC are available to commanders on request. This approach allows commanders to tailor their training and maximize training resources.

Question. The Army and Marine Corps have provided substantial language training to select general purpose soldiers and marines deploying to Afghanistan, yet the Services' training and personnel systems have not fully captured information on language training that has been completed and any proficiency gained from the training.

What steps have DOD and the Services taken to provide decision makers with greater visibility within training and personnel systems on the language proficiency of general purpose forces that could better inform force management processes?

Answer. The Army and Marine Corps are modifying their training data bases to track language and culture training provided to individuals. Additionally, the Department is successfully tracking the language proficiency of the force using the Language Readiness Index (LRI) in the Defense Readiness Reporting System. This tool allows decision makers and planners to quickly identify DOD military and civilian personnel with tested and self-professed language proficiency, the languages they command, and their proficiency in those languages. This information is provided by the Services' personnel systems and the Defense Civilian Personnel Data System and portrays DOD language capability inventory.

Question. At a congressional hearing last year, Under Secretary of Defense for Intelligence Michael Vickers testified that the United States could benefit by having more DOD personnel proficient in foreign languages and that, "it's an area, frankly, we still need to improve".

What is your assessment of the current level of foreign language proficiency across the Services?

Answer. Our foreign language capability is growing. Our investments have resulted in over 265,000 DOD personnel with foreign language skills an increase of 6,497 from previous years. Our challenge is to generate the language skills to meet the needs of general purpose and Special Operations Forces while at the same time training to the professional language level for strategic capabilities like Foreign Area Officers and Cryptologic Language Analysts. This is our strategy to provide the Department with the assets it needs for regional deployments at the operational and tactical levels. This is especially important as we regionally align combat forces towards specific regions.

Question. What incentives would you offer, if any, in the form of either financial stipends or professional advancement opportunities?

Answer. The Department has significantly improved the availability of Foreign Language Proficiency Bonuses for our total force over the past 5 years. The bonus was extended to the Reserve component and payment rates increased. We are assessing its impact and are considering non-monetary incentives to encourage personnel to pursue competency in a foreign language. This involves a close look at linguist career paths, proper utilization, and promotion opportunities.

Question. Are you concerned with the current level of reliance upon contractors to provide translators to deployed combat units?

Answer. Interpreters and translators provide the Department the ability to provide a high level of foreign language capability, on short notice, to deploying units.

The use of contractors to provide interpretation to deployed combat units is closely monitored on a regular basis.

It is not possible within current resources to train sufficient numbers of military or DOD personnel to meet the ever increasing need for personnel with high levels of foreign language and cultural skills. Therefore contract interpreters have and will continue to provide a much needed surge capability to our deploying forces. However, the Department recognizes the value of having foreign language skills organic to a unit and has in the past employed the skills of personnel in the Army 09L Translator Aide program as well as Military Accessions Vital to National Interest (MAVNI) program to provide high levels of language skills to deploying units. The Department is currently exploring other avenues to provide short term surge capability for translation. One of the more exciting initiatives is the National Language Service Corps, which offers more than 4,000 American Citizens with advanced language skills who are willing to serve as temporary Federal employees to meet urgent and surge demands in limited capacities.

SAFETY AND RISK MITIGATION

Question. Since the onset of combat operations over a decade ago, the overall readiness of the force has steadily declined in terms of personnel, training, and equipment readiness. As force readiness is consumed as soon as it is created by the demand of a high operations tempo, our readiness now faces additional challenges in an economically austere environment. If the current sequestration cuts were to occur, our understanding is that approximately \$18 billion would be cut from DOD's operation and maintenance (O&M) budget. If DOD were then forced to operate under a 1-year Continuing Resolution, the O&M budget would be cut by an additional \$11 billion. Furthermore, to ensure that Overseas Contingency Operations are funded, another \$11 billion would then have to be cut out of the base O&M budget.

If this scenario were to unfold, how would you provide oversight, prioritize resources, and ensure the readiness of the force is sustained?

Answer. The magnitude of sequestration cuts make it impossible for the Services to avoid cuts to vital training capabilities, training infrastructure, and training deliverables. Ensuring the readiness of the force is sustained, other than those units that are next to deploy, will be virtually impossible. The Army has stated that cuts to training and maintenance will put two-thirds of their active brigade combat teams outside of Afghanistan at reduced readiness levels. Navy operations in the western Pacific, including training, will be reduced by as much as one-third. With less training and steaming days, the Navy will inevitably reduce unit readiness levels. The Air Force has stated that sequestration cuts to their flying hour program will put flying units below acceptable readiness standards by the end of the fiscal year. The furlough of DOD civilians will include civilians at training centers across the country, reducing the quality and quantity of training immediately, with long-lasting impacts on readiness.

It is clear that sequestration and a continuing budget resolution will devastate our readiness. When we are not allowed by legislation to manage individual pieces of the budget, readiness accounts inevitably pay the price, thus prioritizing resources is problematic. I will work closely with the Services and Joint Staff, through our various readiness assessment processes, to identify those readiness shortfalls that require the attention of the Department's most senior leadership.

Question. Are these potential sequestration cuts to the O&M budget accurate?

Answer. As I understand it, as part of the overall cut of the \$46 billion cut, the Department's O&M accounts will be reduced by \$13 billion from the annualized CR level. We must protect the O&M dollars for our men and women in combat, which under sequestration rules we can only do by cutting base-budget O&M disproportionately—this results in an additional shortfall of \$5 billion in active base-budget dollars, for a total of an \$18 billion cut.

If the Continuing Resolution is extended in its current form throughout the year, it exacerbates problems because it does not provide enough dollars in O&M—adding an additional shortfall of \$11 billion.

Question. In your view, what are the indicators of a hollow force?

Answer. It would be a force that has been rendered incapable of performing the mission that we expect it to conduct. While the units may exist, they would not have the personnel, equipment, and/or training necessary to make them capable of executing the defense strategy or responding to the most likely contingencies. Additionally, part of avoiding a hollow force is ensuring we have a clear understanding of the size of the force we can afford to keep ready and then adhering to that plan.

Question. How has the DRRS contributed to managing risk within DOD?

Answer. DRRS provides the Department with a capabilities centric look at readiness which has allowed commanders and staffs to understand readiness issues that directly impact their mission and equate to operational risk. This knowledge provides situational awareness that allows them to initiate operational problem solving, identify capability gaps, conduct trend, threshold and predictive analysis, create capability Force Package designs and strategies to solve or mitigate readiness issues and mitigate risks.

Question. How would the DRRS inform your decisionmaking process in order to reduce risk?

Answer. DRRS contains detailed information on not only what units are capable of; it also contains data on the resources and training status on which those capabilities are based. In this sense, it provides an empirical understanding of why readiness is degraded and what the associated consequences are. This understanding is essential to identifying systematic problems and identifying potential mitigation options.

Question. Why are commanders allowed to subjectively upgrade their unit's readiness, if the intent of the DRRS is to accurately portray unit readiness up the chain of command?

Answer. DRRS, like Status of Resources and Training Systems (SORTS), allows for commanders' upgrades because an assessment of whether a unit can accomplish their assigned mission is far too complex to rely on simplistic rules on interpreting data. Intangibles, nuances, and positive and negative synergies among causal factors can be extremely important in determining an accurate assessment and we trust commanders with the responsibility to make those calls. One mechanism that we use to make sure we understand the final assessments is to monitor the empirical/non-subjective data on which they are built. This includes not only unit-level data, but also maintaining some visibility on the man/train/equip pipeline processes that generate unit readiness.

Question. If either sequestration or a full-year Continuing Resolution is to be implemented, how should they be modified to reduce the impact on readiness? Would additional reprogramming authority be required?

Answer. Both should be modified to allow the Department the flexibility to allocate our resources to our highest priorities. When we are not allowed by legislation to manage individual pieces of the budget, readiness accounts inevitably pay the price. Everything needs to be on the table. This should include military and civilian force reductions, basing, and balancing Active and Reserve components. Adequate flexibility will also require support for follow-on reprogramming authority.

JOINT TRAINING SYSTEM

Question. In June of last year, the Chairman of the Joint Chiefs of Staff published CJCS Guide 3501: The Joint Training System, which provides an overview of the Joint Training System (JTS) and highlights the role of senior leadership in the planning, execution, and assessment of joint training.

What is your assessment of the effectiveness of the current JTS?

Answer. Today's force is more joint than at any time in our history. Through a decade of conflict our military members have evolved from a Service-centric force to a more capable force which includes both Service-unique attributes as well intentional Service interdependencies.

The Joint Training System described in CJCS Guide 3501 is focused on the warfighting organizations—namely the combatant commands and their Service components. As such, the JTS focuses at the strategic and operational levels, where combatant commanders can assess their readiness to “integrate and synchronize assigned forces to meet mission objectives”.

One additional aspect of joint readiness bears mentioning here. While the JTS focuses at the strategic and operational levels of operations, joint readiness (and by extension, joint training) extends down to the tactical level as well. Services—including Service components of combatant commands—must be resourced to “train the way they operate”. This includes joint tactical interoperability training. While tactical training is not the primary focus of the JTS, such training is also at risk in the current fiscal environment. As Services retrench into title 10 focus on core competencies, adequate resources specifically allocated for joint training must be preserved. JTS would be a more complete system if it provided a conceptual framework for combatant commanders and Services to plan, resource, and conduct joint tactical training in addition to operational training for combatant command staffs.

TRAINING RANGES

Question. DOD is fielding Unmanned Aircraft Systems (UAS) in greater numbers which has created a strong demand for access to national airspace to conduct training and for other purposes. The demand has quickly exceeded the current airspace available for military operations.

What is your understanding and assessment of DOD's efforts to develop a comprehensive training strategy for the Department's UAS, to include identifying any shortfalls associated with current policies, education, stationing plans, and simulator technologies?

Answer. The DOD UAS Training Strategy is currently being developed and the Department will be providing a report to Congress in July on its progress in this area. The training strategy will address critical elements of UAS training—unit collective training and home station training of pilots, sensor operators, and ground controllers. We anticipate that the report will identify and address shortfalls associated with current policies, training, basing, national airspace, and training technologies.

DEFENSE STRATEGIC GUIDANCE

Question. The 2012 Defense Strategic Guidance stressed that the Department will need to examine the mix of Active and Reserve component elements and stated that the expected pace of operations over the next decade will be a significant driver in determining an appropriate mix of AC/RC forces and level of readiness.

What is your assessment of the implications of a reduction in the pace of operations on the AC/RC mix and Reserve readiness?

Answer. The National Guard and Reserve have clearly proven the ability to accomplish any assigned mission whether overseas or at home. As the pace of operations declines, it is my opinion the National Guard and Reserve will continue to play a vital role in our national defense. Recent changes in laws permitting greater access to the Reserve component (RC), coupled with the proven abilities and current high state of readiness of the Reserve Forces affords the Department greater flexibility when determining appropriate force levels and AC/RC mix. In a constrained resource environment, the RC gives the department a unique opportunity to preserve overall operational capability and mitigate risk at reduced costs.

Question. In your view, how can the missions of the Reserve Forces expect to change to meet new priorities?

Answer. Over the last decade, the Department has learned a significant amount about using Reserve Forces in many different mission sets. The upcoming Quadrennial Defense Review will lay the ground work for assigning mission sets to all forces. If confirmed, I will work closely with the Services, the Reserve Chiefs, and the Chief of the National Guard Bureau to determine the most effective mix and makeup of Active, Reserve, and Guard personnel to support the National Military Strategy.

RESERVE COMPONENT AS A TRAINED AND READY OPERATIONAL RESERVE

Question. One outcome of 10 years of continuous operations in Iraq and Afghanistan, that has included the mobilization of thousands of Guard and Reserve Forces, has been the realization that our Reserve components have evolved from a rarely used strategic reserve to a more frequently used operational reserve.

In your view, what are the essential elements of readiness, if any, that distinguish the Reserve component as an operational reserve as opposed to a strategic reserve?

Answer. The decade plus of war has transformed the Reserve component from a strategic force rarely used to an integral partner of our national defense. In my opinion the most essential element of readiness is people. Today our Reserve component has experienced and skilled people. The combination of their combat experience and civilian skills make them vitally important to our Nation's defense. I think the continued use of the RC as a full partner in the Total Force is the difference between the strategic reserve of the Cold War and the required efficient use of all elements of the Total Force going forward—Active, Guard and Reserve, civilian, and contractor.

ACTIVE DUTY AND RESERVE COMPONENT END STRENGTH

Question. The Department last year announced its 5-year plan to reduce Active Duty end strengths by over 100,000 servicemembers by 2017, and the Reserve components by another 21,000 over the same period. These cuts do not include any additional personnel reductions that could result from sequestration or any agreement to avoid sequestration.

Do you agree with this plan to reduce Active Duty and Reserve component end strengths?

Answer. If confirmed, I will continue to review the plan, but I believe the end strength drawdown allows us to achieve the right size force and keep it modern. The plan is designed to maintain capable and ready military forces while managing reductions in a way that “keeps faith” with forces that have been at war for the past 10 years. As future national security conditions could change, our planned drawdown could change accordingly.

Question. What is your view of how these planned end strength reductions will affect dwell time ratios?

Answer. I understand that all of the Services, on average, are meeting or exceeding the Department's dwell time goal of 2 years at home for every year deployed, or 1:2, for the Active component. If confirmed, I will continue to monitor this issue closely.

The Reserve component dwell time is improving, but has not reached the Department's dwell time goal of 5 years at home for every 1 year of Active Duty, or 1:5. If confirmed, I will continue to work toward the goal of a 1:5 dwell time ratio for the Reserve component.

Question. What effect would inability to meet dwell time objectives have on the decision to implement the planned end strength reductions?

Answer. The Services are continually monitoring dwell time, if there are any early indicators that the end strength reductions are affecting the ratio, I will work with the Services to address the issues. Re-examination of end strength reductions would certainly be one of the considerations to remedy potential dwell problems.

Question. What additional military personnel reductions do you envision if the sequester is triggered in accordance with the Budget Control Act?

Answer. If the Department were required to sequester funding, I believe that it would first require a revision of the current National Security Strategy announced by the President last January. The current strategy could not be met with the significantly diminished resources that sequester would impose. The revised strategy could very well impact all components of the total force—Active Duty military, Reserve component military, Government civilians, and contractors.

Question. In your view, what tools do the Department and Services need to get down to authorized strengths in the future, and which of these require congressional authorization?

Answer. The Department already has or has been granted the total force shaping tools necessary to meet the drawdown in its current plan.

MILITARY QUALITY OF LIFE

Question. In your view, what is the relationship between military recruitment and retention and quality-of-life improvements and your own top priorities for the Armed Forces?

Answer. The Military Services must attract and retain people with the necessary talent, character, and commitment to become leaders and warriors in the Nation's Armed Forces. The military has consistently used a coordinated recruiting and retention strategy which maximizes the efficient use of our greatest asset—our people. This strategy consists of monetary and non-monetary compensation packages that include the use of special pays, enlistment bonuses, educational benefits and quality of life programs. It has long been said that you recruit an individual and retain a family. As such, it is critical that quality of life (family, education, child-care, housing), quality of service (work environment, infrastructure capacity, and support, time to train), and compensation (pay and benefits) are constantly evaluated and adjusted to respond to needs of an evolving force and to varying economic conditions. Recruiting and retention strategies must be able to generate success in both good and bad economic times. The Services cannot afford to wait for recruiting and retention misses to signal a need for adjustments—adjustment tools and authorities to achieve skill and strength requirements must be set as a priority and readily available.

Question. If confirmed, what further enhancements to military quality of life would you consider a priority, and how do you envision working with the Services, combatant commanders, family advocacy groups, and Congress to achieve them?

Answer. I recognize that the well-being of the force, as well as recruiting and retention efforts, are significantly impacted by quality of life programs. If confirmed, I look forward to coordinating the efforts of the Services and combatant commanders in order to ensure we have a comprehensive, accessible, and affordable suite of programs. We will continue our work with Congress and family advocacy groups to supplement and enhance our programs and services as needed.

FAMILY READINESS AND SUPPORT

Question. Senior military leaders have warned of growing concerns among military families as a result of the stress of frequent deployments and the long separations that go with them.

What do you consider to be the most important family readiness issues for servicemembers and their families, and, if confirmed, how would you ensure that family readiness needs are addressed and adequately resourced?

Answer. Quality of Life programs and services consistently rank high among the considerations of servicemembers and their families when deciding whether to stay in the military. Families will need assistance to reintegrate, and communicate with each other after a decade of deployments and long separations. Programs and services need to be readily accessible in order to provide servicemembers and their families established support programs using a variety of delivery systems, including in-person, web-based, or online support. The DOD Family Advocacy Program (FAP) provides funding and resources to the Military Departments to strengthen families. FAP is one of the many family readiness programs within the Department, and DOD remains steadfast in its commitment to ensure adequate personnel and resources are available to assist, assess, and treat servicemembers and their families when and where needed. Moreover, we work closely with the civilian community and our Federal partners to support military families.

Question. How would you address these family readiness needs in light of global rebasing, deployments, and anticipated reductions in end strength?

Answer. Key areas of focus will be on downsizing, and providing support for transition planning throughout the military life cycle. This will include the active engagement of family members in the process. It will be important to continue to develop family readiness so that military families can continue to face the anticipated challenges associated with global rebasing, deployments and anticipated reductions in end strength.

Question. If confirmed, how would you ensure support is provided to Reserve component families related to mobilization, deployment and family readiness, as well as to active duty families who do not reside near a military installation?

Answer. DOD is not resourced to meet all the needs of military families. Actively engaging military families in community-based programs and services by encouraging participation in the design, development, and delivery of such programs and services will ensure that they meet the needs of military families. A variety of programs and services are already available to assist with the networking, coordination, and collaboration that is necessary to build community capacity to support military families.

Question. If confirmed, what additional steps will you take to enhance family support?

Answer. We must continue to work with civilian communities where most military families live to promote quality of life enhancements that address military and family readiness challenges. Beyond looking to the local community, DOD will continue to assist in workforce development efforts already underway to create a cadre of service providers who can provide that support within DOD. This will occur through our partnership with professional educational institutions and with local, State, Federal, public, and private agencies and organizations. If confirmed, I will continue to build upon these relationships with community partners to provide the necessary services.

MILITARY CHILD DEVELOPMENT CENTERS

Question. Late last year, the Army announced that it was conducting a 100 percent audit of employee background check processes at all 283 of its child care facilities at installations in the United States and overseas because “derogatory” information was found in the security background checks of employees at the Joint Base Myer-Henderson Hall Child Development Center. As a result, the Secretary of Defense ordered a 100 percent background check audit of all providers who have regular contact with children in DOD Child Development Centers, School Age Care Programs, and Youth Programs, and a 100 percent review and evaluation of the actual background check documentation on file for each individual, employee and volunteer, for compliance with applicable DOD and Military Service policies. Subsequently, DOD reviewed over 44,000 records and reported validation of background checks had been initiated across the Department as required. Additionally, at the time of the review, approximately 1,200 background checks were pending adjudication.

What is the status of the remaining background checks pending adjudication?

Answer. Because of the length of time required for the adjudication process, there will always be background checks in adjudication. Adjudication is the process through which an employee is evaluated for suitability of employment. Currently, the adjudication process is specific to each Military Service. It is important to note the FBI background checks, which include fingerprints, often require months for completion and it is typical for all programs to have some background checks in process/pending. For employees whose background checks are pending, those individuals are either working within line-of-sight supervision in accordance with Public Law 102-190, section 1094, or are not yet working in the program.

Question. Are you convinced that the Services performed these reviews adequately and thoroughly?

Answer. Yes. Additionally, this audit revealed some areas for improvement and, as a result, all applicable directives and other regulatory guidelines will be updated to ensure these improvements are incorporated. DOD leadership and child development program staff are committed to high quality and consistent delivery of these services and to ensure the safety and well-being of children in our care.

Question. Are policies and programs in place now to ensure the safety and welfare of children in Child Development Centers, School Age Care Programs, and Youth Programs in the future?

Answer. DOD has a longstanding standardized and comprehensive process for screening applicants for positions involving child care services on DOD installations and in DOD activities. By law, employment applications must include a question as to whether the applicant has ever been arrested for or charged with a crime involving a child. The application states that it is being signed under penalty of perjury. Additionally, we are required by law to conduct at least two types of background checks on every employee who works with children in child and youth programs. DOD conducts additional background checks, and the Military Departments and Defense Agencies have the discretion to conduct more restrictive screenings. These background checks are part of a system of measures currently in place to ensure children's safety in DOD programs.

Question. Are OSD policies and programs in place to provide continued oversight of these programs in the future?

Answer. Based on the findings of the review, we are strengthening our policies, specifically highlighting prompt and consistent adjudication. In addition, the Military Departments and Defense Agencies will increase oversight during unannounced annual inspections of these facilities and programs.

DEPARTMENT OF DEFENSE SCHOOLS IN CONUS

Question. Some have questioned the continuing need for DOD-operated schools for military dependent children within the Continental United States (CONUS).

In your view, should DOD reassess or update its criteria for the continued operation of DOD schools within CONUS?

Answer. The Department intends to conduct a comprehensive study to determine the feasibility of transferring the CONUS based DOD schools. The Department's planned study that will examine such factors as the quality of education, adequacy of Impact Aid funding, State laws and prohibitions on using tax revenues for a public education on Federal property (e.g., Delaware), capacity of LEAs to assume the educational responsibility, adequacy of educational and support services for military dependents, and impact on the morale of military families. The study will also examine any viable educational alternatives to DOD ownership.

Question. If so, and if confirmed, how would you approach this task?

Answer. If confirmed, I will closely examine the issue and the results of the study considering all dimensions and all recommendations.

CONDITIONS OF K-12 SCHOOLS

Question. In 2011, The Department of Defense committed to a \$4 billion plan to renovate or construct new K-12 DOD Education Activity (DODEA) schools over 5 years in order to address inadequate and deteriorated facility conditions throughout the DODEA facility inventory. In response, Congress called upon the Department to develop a minimum standard of design to ensure that DODEA would provide world-class education facilities for the children of military members.

What is your assessment of this construction program?

Answer. It is critical that we continue with the school construction program. Nearly 70 percent of our schools are in poor condition. The Department recognized this growing problem, and approved a multi-billion dollar construction program through 2018. These schools are being designed to meet the high-technology teach-

ing and learning requirements of the 21st century and leverage “green” technologies to improve the environmental impact and long-term operating costs.

Question. If confirmed, will you continue the investments to achieve the goal to provide world-class schools?

Answer. A world-class education is a top quality of life and readiness factor for our military families. Dependent education consistently has been a top priority for the Department. I will continue to ensure that we invest in the education of our children, and maintain a top-quality education for our military dependents.

Question. What is your position on the use of defense funds to pay for facility improvements for schools that are owned and operated by local education activities?

Answer. The Department continues to work closely with local school districts to address the capacity shortfalls and physical condition deficiencies in many of the 160 public schools located on military installations. It remains important for the Department to continue the administration of the public schools on military installation grant program, which, as of February 21, 2013, has distributed more than \$208 million to projects for 10 of the 12 highest priority schools. If confirmed, I would support the President’s fiscal year 2013 budget request to continue the program.

Question. If confirmed, how would you work with local education activities to ensure an adequate level of investment is provided to schools with a predominant student population of Military Dependents?

Answer. If confirmed, I will continue to work with the Department of Education and support the full funding of Impact Aid. Annually, the Department offers about \$35 million in grants which have provided school districts funding to expand learning opportunities in such areas as foreign languages; STEM, and Advanced Placement Math, Science, and English and will continue to leverage available resources to provide the educational opportunities for all 1.2 million school-aged children of our military families and remain committed to providing a quality education for all military dependents.

Question. What is your view on the adequacy of the Department of Defense’s involvement with the Impact Aid Program?

Answer. The DOD Supplement to Impact Aid program is an important additional source of funding for local school districts that have lost property tax revenue due to the enrollment of a large number of military-connected children. The Department faces challenging budgetary uncertainties at this time. Many programs are underfunded. Impact Aid is no exception.

Question. If confirmed, would you recommend any changes to the Impact Aid program?

Answer. The Department of Education has made significant enhancements to this program since its inception. The Department’s study of the DOD Domestic Schools will also examine Impact Aid issues.

OFFICE OF COMMUNITY SUPPORT FOR MILITARY FAMILIES WITH SPECIAL NEEDS

Question. In the National Defense Authorization Act for Fiscal Year 2010, Congress required the establishment of an Office of Community Support for Military Families with Special Needs within the Office of the Under Secretary of Defense for Personnel and Readiness. The purpose of this office is to enhance and improve Department of Defense support for military families with special needs, whether educational or medical in nature.

In your view, what should be the priorities of this Office of Community Support for Military Families with Special Needs?

Answer. A key priority for the Office of Community Support for Military Families with Special Needs is to strengthen personal readiness for military families with special needs through a comprehensive policy, oversight of programs that support military families with special needs, identification of gaps in services to such families, and the accessibility to appropriate resources.

Presently, over 126,000 military family members are enrolled in the Exceptional Family Member Program (EFMP). The EFMP supports military families with special medical and/or educational needs in three components areas: identification/enrollment, assignment coordination to determine the availability of services at a projected location, and family support to help families identify and access programs and services.

Question. If confirmed, how would you ensure outreach to those military families with special needs dependents so they are able to get the support they need?

Answer. Communication with military families with special needs and the provision of information about the EFMP is a major focus of DOD. If confirmed, I will ensure the Department continues to develop and implement a comprehensive communication and marketing plan designed to deliver consistent information about the

EFMP to families, service providers, and leadership. We will also continue to solicit input from families with special needs through the Special Needs Advisory Panel, as mandated by Congress.

GI BILL BENEFITS

Question. Congress passed the Post-9/11 Veterans Educational Assistance Act in 2008 (Post-9/11 GI Bill) that created enhanced educational benefits for service-members who have served at least 90 days on Active Duty since September 11. The maximum benefit would roughly cover the cost of a college education at any public university in the country.

What unresolved issues related to implementation of the Post-9/11 GI Bill (e.g., coverage of additional military personnel) do you consider most important to be addressed?

Answer. With the recent change in Public Law 111-277 that corrected technical issues related to National Guard (title 32) service, I believe all Armed Service Veterans are fully covered.

Question. What is your assessment of the impact of the Post-9/11 GI Bill on recruiting and retention, including the provision of transferability for continued service?

Answer. Post Service education benefits have been a cornerstone of our military recruiting efforts since 1985, and a major contributor to the success of the All-Volunteer Force. Money for education has been, and remains at the forefront of reasons young Americans cite for joining the military. There is no doubt that the Post-9/11 GI Bill will continue to have this same impact. The Department of Defense is an "education" employer. We hire educated young people, invest in them while in Service, and we encourage them to invest further in themselves when they leave. The VA-administered education benefits, and in particular the Post-9/11 GI Bill, facilitates that investment.

MILITARY AND VETERAN EDUCATION PROGRAM OVERSIGHT

Question. Congress remains interested in strengthening oversight of Department of Defense and Department of Veterans Affairs education programs, including the VA's Post-9/11 GI Bill, and DOD's tuition assistance and Military Spouse Career Advancement Accounts (MyCAA) programs.

What is your view of proposals that would require that all schools participating in these programs be compliant with title IV of the Higher Education Act, so long as the administering Secretaries had the authority to exempt such requirements on a case-by-case basis?

Answer. DOD supports the proposal and is clarifying policies to ensure tuition assistance funding will only be paid to educational institutions accredited by an accrediting organization, recognized by the Department of Education, approved for Department of Veterans Affairs funding, and participating in Federal student aid programs through the Department of Education under title IV of the Higher Education Act of 1965.

Question. What is your view of proposals to change the so-called 90/10 rule to exempt these programs from the calculation altogether, as has been proposed by officials of the Bureau for Consumer Financial Protection and others?

Answer. DOD has no objection with the proposal to exempt title X tuition assistance funds from the 90/10 calculation. Technical assistance and oversight of any statutory changes to the proposed 90/10 rule should reside with the Department of Education.

MORALE, WELFARE, AND RECREATION

Question. What challenges do you foresee in sustaining Morale, Welfare, and Recreation (MWR) programs, particularly in view of the budget challenges the Department faces?

Answer. Quality of life programs for our military members and their families are essential to the resiliency of the force, as well as to recruiting and retention efforts. Changes in our basing, deployment patterns and force structure have had a significant impact on our ability to deliver quality of life programs to our military families. With more than 75 percent of military families now living off installation, there is an increasing need for partnerships and support from local governments, school systems, and businesses to ensure we continue to provide comprehensive, accessible, and affordable quality of life programs. Additionally, we are conducting a major assessment of Morale, Welfare, and Recreation programs to ensure they are being operated in as efficient and cost-effective manner as possible.

Question. How would you seek to deal with these challenges?

Answer. Sustaining family programs in the current fiscally constrained environment will be challenging but of vital importance as we seek to reach servicemembers on and off the installations. If confirmed, I will make every effort to protect funding for family quality of life programs to the greatest extent possible and ensure they are operating efficiently. Good stewardship demands that available resources are utilized in the most effective manner.

Question. If confirmed, what improvements would you seek to achieve?

Answer. We have a responsibility to ensure access to quality programs, information and resources regardless of where our servicemembers and their families are located. I've mentioned the need to develop and maintain a strong network of community-based providers. We'll need to enhance our information and referral resources by maximizing electronic opportunities provided through internet social networking avenues and electronic applications. We also have opportunities to improve the effectiveness of outreach programs, to better meet military families where they live. If confirmed, I will evaluate these opportunities, and how we can better coordinate efforts among the various entities providing support to our military members and their families.

COMMISSARY AND MILITARY EXCHANGE SYSTEMS

Question. What is your view of the need for modernization of business policies and practices in the commissary and exchange systems, and what do you view as the most promising avenues for change to achieve modernization goals?

Answer. Both the Defense Commissary Agency (DeCA) and the military exchanges are progressive organizations seeking to reduce costs within their respective businesses. DeCA, for example, has a proven history of reducing the costs of the commissary system without decreasing the value of the benefit provided. Since its beginning in 1991, efficiencies have allowed DeCA to reduce its workforce by almost 7,000 full time equivalent positions and operating costs by approximately \$700 million in constant fiscal year 1992 dollars. In fact, when measured in constant dollars, DeCA's operating costs are only slightly more than one-half of what they were when the Agency was created.

Exchanges are evolutionary models driven by best business practices and the need to remain relevant to servicemembers in a highly competitive and ever-changing retail environment. Today's exchanges have gone beyond the traditional brick and mortar environment, embracing e-commerce and mobile retail channels to satisfy customer demands. They are using digital marketing and social media that are now common in the marketplace for customer outreach. In the traditional brick and mortar environment, robust infrastructure re-investments, new branding strategies, enhanced customer service postures, supply chain enhancements, and targeted merchandise assortment driven by unique installation customer demographics are all delivering a customer shopping experience on par or better than the most successful retailers in the commercial market place. The exchanges continue to exceed the DOD Social Compact on savings for servicemembers.

For the Exchanges, there are already mechanisms for modernization through the Cooperative Efforts Board. Promising areas for change include non-resale procurement, logistics and distribution, exchange select/private label, legislative and policy, and seasonal and one time buys.

Question. What is your view of the proposals by some to consolidate or eliminate commissaries and exchanges?

Answer. Eliminating the commissary and exchanges would be a direct hit on military compensation. In fiscal year 2012, commissaries saved military shoppers approximately \$2.76 billion, a return of more than double the \$1.31 billion annual commissary appropriation. At a personal level, a family of four shopping at the commissary regularly can save \$4,500 a year. Exchanges, which receive very little appropriated fund support, save our customers 22 percent, on average, over commercial retail stores.

Commissary and exchange benefits form a major part of the military community support structure that contributes to mission readiness. The commissary continues to be one of the most popular non-pay compensation benefits of our military members. Exchanges provide valuable savings at home and essential health, comfort and convenience items to military personnel in forward deployed and combat areas. Military families would rightfully view the elimination of these systems as a significant reduction of their compensation.

CIVILIAN PERSONNEL SYSTEMS

Question. Section 1113 of the National Defense Authorization Act for Fiscal Year 2010 provides DOD with extensive personnel flexibilities for its civilian employees

that are not available to other agencies. In particular, section 9902(a) of title 5, U.S.C., as added by section 1113, directs the Department to establish a new performance management system for all of its employees. Section 9902(b) directs the Department to develop a streamlined new hiring system that is designed to better fulfill DOD's mission needs, produce high-quality applicants, and support timely personnel decisions.

What is your understanding of the current status of the Department's efforts to implement the authority provided by section 1113?

Answer. I understand the Department and organizations that represent DOD employees, including unions and the Federal Manager's Association, worked collaboratively over a span of 18 months to design a performance management system and improved hiring processes. The Department launched its pre-decisional collaborative process that came to be known as "New Beginnings" in the spring of 2010. The effort culminated in a comprehensive report from three joint labor-management design teams. All recommendations have been reviewed through the Departmental process. If confirmed, I will continue to support the work that is underway to comply with the National Defense Authorization Act.

Question. Do you agree that DOD's civilian employee workforce plays a vital role in the functioning of the Department?

Answer. Yes, DOD's civilian employee workforce plays an instrumental role in the functioning of the Department as part of the total force across a range of missions.

Question. If confirmed, will you make it a priority to implement these flexibilities in a manner that best meets the needs of the Department and promotes the quality of the Department's civilian workforce?

Answer. Yes, if confirmed, I would make it my priority to implement those flexibilities that would facilitate accomplishing the Department's missions.

Question. Section 1112 of the National Defense Authorization Act for Fiscal Year 2010 directs the Department to develop a Defense Civilian Leadership Program (DCLP) to recruit, train, and advance a new generation of civilian leaders for the Department. Section 1112 provides the Department with the full range of authorities available for demonstration programs under section 4703 of title 5, U.S.C., including the authority to compensate participants on the basis of qualifications, performance, and market conditions. These flexibilities are not otherwise available to the Department of Defense.

What is your understanding of the current status of the Department's efforts to implement the authority provided by section 1112?

Answer. I understand that the Department has designed a new leadership program and has graduated the first cohort. Still in the pilot phase, a second cohort is underway. If confirmed, I will fully engage to ensure the new program meets the intent of the NDAA authority.

Question. Do you agree that the Department needs to recruit highly qualified civilian personnel to meet the growing needs of its acquisition, technical, business, and financial communities?

Answer. Yes. I completely agree that recruiting highly qualified civilian personnel both in mission critical occupations, such as acquisition and finance, and in leadership positions across the Department is essential to mission success.

Question. In your view, has the existing civilian hiring process been successful in recruiting such personnel and meeting these needs?

Answer. Although I believe the Department currently has a highly talented workforce, I wholeheartedly support the initiatives to streamline and reform the civilian hiring process. While I understand the Department is making progress, there is still work to be done in this area, and if confirmed, I would ensure the Department continues to actively engage in civilian hiring reform initiatives and aggressively pursues continued improvements.

Question. If confirmed, will you make it a priority to implement the authority provided by section 1112 in a manner that best meets the needs of the Department and promotes the quality of the Department's civilian workforce?

Answer. Yes, if confirmed I will make it a priority to implement the authority provided by section 1112. The Department recognizes the need for an improved leader-development model to attract, retain, and develop civilian leaders to support pipeline readiness and enhance bench strength. If confirmed, I will assess the section 1112 pilot outcomes to ensure a successful framework for developing the next generation of innovative leaders with the technical competence to meet the future leadership needs of the Department.

HUMAN CAPITAL PLANNING

Question. The Department of Defense faces a critical shortfall in key areas of its civilian workforce, including the management of acquisition programs, information technology systems and financial management, and senior DOD officials have expressed alarm at the extent of the Department's reliance on contractors in these areas. Section 115b of title 10, U.S. Code, requires the Department to develop a strategic workforce plan to shape and improve its civilian employee workforce.

Would you agree that the Department's human capital, including its civilian workforce, is critical to the accomplishment of its national security mission?

Answer. Yes. I believe such planning would well position the Department to acquire, develop, and maintain the workforce it needs to meet current and future mission challenges.

Question. Do you share the concern expressed by others about the extent of the Department's reliance on contractors in critical areas such as the management of acquisition programs, information technology and financial management?

Answer. We must ensure that we have a properly sized, and highly capable, civilian workforce that guards against an erosion of critical, organic skills and an overreliance on contracted services, particularly in such areas as acquisition program management, information technology, and financial management. If confirmed, I will continue to support the administration's and Department's focus on reducing inappropriate or excessive reliance on contracted support, particularly for critical, and closely associated with inherently governmental, work. I will continue to support the ongoing efforts to further utilize the Strategic Workforce Plan to mitigate against civilian workforce competency gaps and skill shortfalls in these areas.

Question. If confirmed, will you ensure that the Department undertakes necessary human capital planning to ensure that its civilian workforce is prepared to meet the challenges of the coming decades?

Answer. If confirmed, I would ensure Department decisions on workforce shaping align with the Department's long-term strategic workforce plan, with the understanding that short-term exceptions may be needed due to emerging dynamics in the budget environment. Forecasts for the Department's workforce must be based on validated mission requirements and workload, both current and projected, and any reductions in the civilian workforce must be directly linked to workload so as to not adversely impact overall mission capabilities.

Question. Section 955 of the National Defense Authorization Act for Fiscal Year 2013 requires a 5 percent reduction in anticipated funding levels for the civilian personnel workforce and the service contractor workforce of the Department of Defense, subject to certain exclusions.

What impact do you expect the implementation of section 955 to have on the programs and operations of the Department of Defense?

Answer. Section 955 requires a reduction in available funding for the civilian workforce and contracted support, and as such, is being led by the Office of the Under Secretary, Comptroller. The impact of how section 955 will be implemented is still being determined and I do not have enough information at this time to speak to specific impacts to programs and/or operations. If confirmed, I will work with my counterparts in Comptroller to ensure that the Department's implementation of section 955 is done in a manner that reduces mission impact and mitigates risk to programs and operations, while maintaining core capabilities and support to our warfighters and their families.

Question. What steps will you take, if confirmed, to ensure that section 955 is implemented in a manner that is consistent with the requirements of section 129a of title 10, U.S.C., for determining the most appropriate and cost-efficient mix of military, civilian and service contractor personnel to perform DOD missions?

Answer. If confirmed, I will work with my counterparts in Comptroller to ensure implementation of section 955 recognizes that the sourcing of work among military (Active/Reserve), civilian, and contracted services must be consistent with requirements, funding availability, readiness and management needs, as well as applicable laws (such as section 129a of title 10, U.S.C.) and other total force management and workload sourcing mandates. The Department must avoid any inappropriate transfer of work from civilians to contract support or military personnel. We must also ensure the most cost effective performance possible while being mindful that risk mitigation must take precedence over cost considerations to ensure mission success and prevent an overreliance on contractors.

Question. What processes will you put in place, if confirmed, to ensure that the Department implements a sound planning process for carrying out the requirements of section 955, including the implementation of the exclusion authority in section 955(c)?

Answer. If confirmed, I will work with my counterparts in Comptroller to ensure the requirements of section 955 are implemented in manner which complements the Department's current processes for workforce determinations, which strive to achieve effective and efficient total force manpower solutions consistent with law and available resources. While I cannot speak to specific exclusions, I will work to ensure that the workforces of the Department are sized to perform the functions and activities necessary to achieve the missions and enable the capabilities of the Department.

ACQUISITION WORKFORCE

Question. Section 852 of the National Defense Authorization Act for Fiscal Year 2008 established an Acquisition Workforce Development Fund to help the Department of Defense address shortcomings in its acquisition workforce. This provision was amended by the National Defense Authorization Act for Fiscal Year 2013 to ensure a continuing source of funds for this purpose.

Do you believe that the DOD acquisition workforce development fund is still needed to ensure that DOD has the right number of employees with the right skills to run its acquisition programs in the most cost effective manner for the taxpayers?

Answer. The acquisition workforce development fund has been instrumental in the Department's efforts to recapitalize its acquisition workforce and improve oversight, management, and accountability in the procurements of goods and services. I believe that the fund is still necessary to further enhance and sustain the training and expertise of our dedicated acquisition workforce.

Question. If confirmed, what steps if any will you take to ensure that the money made available through the workforce development fund is spent in a manner that best meets the needs of the Department of Defense and its acquisition workforce?

Answer. It is my understanding that management and execution of the acquisition workforce development fund is a joint responsibility of the Offices of the Under Secretaries of Defense for Acquisition, Technology, and Logistics and Comptroller. If confirmed, I will work with my counterparts in those offices to ensure that application of resources is done in a manner that is consistent with the training, development, and sustainment needs of the acquisition workforce.

Question. One of the central tenets of the Department's Better Buying Power 2.0 is to improve the "the Professionalism of the Total Acquisition Workforce." The Department has subdivided this tenet into four separate initiatives. These initiatives are:

1. Establish higher standards for key leadership positions.
2. Establish stronger professional qualification requirements for all acquisitions specialties.
3. Increase the recognition of excellence in acquisition management
4. Continue to increase the cost consciousness of the acquisition workforce—change the culture.

If confirmed, how will you use funds from the Acquisition Workforce Development Fund to accomplish the objectives of these initiatives?

Answer. These specific initiatives are under the purview of the Under Secretary of Defense for Acquisition, Technology, and Logistics and I cannot speak to their specifics. However, to improve overall stewardship of the Department's resources, the continuation of the workforce development fund to recruit, retain, train, and sustain a professional and highly skilled acquisition workforce is critical.

Question. Section 872 of the Ike Skelton National Defense Authorization Act for Fiscal Year 2011 codifies the authority for the Department of Defense to conduct an acquisition workforce demonstration project and extends the authority to 2017.

Do you believe it would be in the best interest of the Department to extend and expand the acquisition workforce demonstration project?

Answer. The Department is authorized by law up to 120,000 employee participants covered under acquisition demonstration projects. It is my understanding that today the Department has 15,800 employee participants, the majority of which returned to the demonstration project following the repeal of the National Security Personnel System (NSPS) as directed by the NDAA for Fiscal Year 2010. With that complete, several acquisition organizations across all components have expressed interest in participating in the project. Project participation is voluntary and based on meeting acquisition related workforce demographic eligibility criteria.

Question. What steps would you take, if confirmed, to implement section 872?

Answer. If confirmed, I will work closely with the Under Secretary of Defense for Acquisition, Technology and Logistics and the Department components to ensure the Department is effectively positioned to appropriately expand the Acquisition Demonstration project.

LABORATORY PERSONNEL DEMONSTRATION PROGRAM

Question. The laboratory demonstration program founded in section 342 of the National Defense Authorization Act for Fiscal Year 1995 as amended by section 1114 of the National Defense Authorization Act for Fiscal Year 2001, section 1107 of the National Defense Authorization Act for Fiscal Year 2008, section 1108 of the National Defense Authorization Act for Fiscal Year 2009, and section 1105 of the National Defense Authorization Act for Fiscal Year 2010, paved the way for personnel management initiatives and new flexibilities at the defense laboratories. These innovations have been adopted in various forms throughout other DOD personnel systems.

If confirmed, will you fully implement the laboratory demonstration program and the authorities under these provisions?

Answer. If confirmed, I will work closely with the Under Secretary of Defense for Acquisition, Technology, and Logistics to fully implement laboratory demonstration programs under these authorities.

Question. If confirmed, will you ensure that the directors of the defense laboratories are provided the full range of personnel flexibilities and authorities provided by Congress?

Answer. If confirmed, I will work closely with the Under Secretary of Defense for Acquisition, Technology and Logistics and the Department components to ensure the directors of defense laboratories are provided the full range of personnel flexibilities and authorities provided by Congress.

DOD SCIENTIFIC AND TECHNICAL PERSONNEL

Question. Recently, the Department issued guidance, as part of its efficiencies initiatives, to centralize certain hiring authorities, including for highly-qualified experts and Inter-Governmental Personnel Assignment (IPA) positions. Both are heavily used by the Department's scientific and technical (S&T) enterprise, including the DOD's laboratories and the Defense Advanced Research Projects Agency (DARPA). The benefit of these authorities is to use them to make rapid hiring decisions for individuals in a highly competitive national S&T jobs market. However, there is concern that the centralization of the process will actually slow down the Services' and defense agencies' ability to hire rapidly.

What will you do to ensure that these special hiring authorities are not negatively impacted in terms of allowing DOD to rapidly hire these types of highly specialized individuals?

Answer. If confirmed, I would ensure that the Department actively engages in initiatives to streamline and reform the civilian hiring system, to include efforts to ensure that the Department's processes for using special hiring authorities are efficient in fulfilling DOD's mission needs.

Question. Under the Military Accessions Vital to National Interest (MAVNI) program, the Department is able to expedite U.S. citizenship for foreign nationals that enlist in the military and have either specialized medical or linguistic skills.

How could this program be extended to include, subject to appropriate security reviews, highly skilled scientific and technical foreign nationals—e.g., graduates of U.S. universities with doctorates in fields the DOD has a demand for and where less than half of these graduates are U.S. citizens?

Answer. Although new enlistees under the MAVNI program are eligible for expedited naturalization under the provisions of section 1440, title 8, U.S.C., the MAVNI Pilot Program was designed to meet critical military readiness needs in the Armed Forces by using the provisions of section 504(b)(2), title 10, U.S.C. to enlist certain legal non-immigrants.

Currently, the Services have identified and scoped the program for fully-qualified health professional in critical medical skills and individuals with heritage-level language abilities and cultural backgrounds in a specific set of languages critical to current and emerging readiness needs.

Although the need for scientific and technical skills has been identified as a shortage in civilian requirements, expanding MAVNI to fill civilian needs would not meet the intent or the language of the statutory provisions under which MAVNI operates.

CONGRESSIONAL OVERSIGHT

Question. In order to exercise its legislative and oversight responsibilities, it is important that this committee and other appropriate committees of Congress are able to receive testimony, briefings, and other communications of information.

Do you agree, if confirmed for this high position, to appear before this committee and other appropriate committees of Congress?

Answer. Yes.

Question. Do you agree, if confirmed, to appear before this committee, or designated members of this committee, and provide information, subject to appropriate and necessary security protection, with respect to your responsibilities as the Assistant Secretary of Defense for Personnel and Readiness?

Answer. Yes.

Question. Do you agree to ensure that testimony, briefings, and other communications of information are provided to this committee and its staff and other appropriate committees?

Answer. Yes.

Question. Do you agree to provide documents, including copies of electronic forms of communication, in a timely manner when requested by a duly constituted committee, or to consult with the committee regarding the basis for any good faith delay or denial in providing such documents?

Answer. Yes.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR BILL NELSON

SIMULATION TRAINING

1. Senator NELSON. Mr. Vollrath, as the defense budget shrinks, simulation technology is a way troops can remain war ready. Simulation training—available for a wide variety of weapons systems and crew positions—is not only cost effective, but reduces the wear and tear on military hardware. As fiscal constraints reduce live exercises and training opportunities, can mobility and simulation be relied upon to a greater extent?

Mr. VOLLRATH. Modeling and simulation (M&S) supported training certainly presents an opportunity to mitigate live training costs and is presently being used by all Services to supplement/support live training. The Department of Defense has conducted a study of relevant factors to determine what types of military training are best suited for M&S supported training. In making this decision, some factors that must be considered include: individual or collective task; learning complexity; interaction/fidelity; maturity of technology; and task domain (procedural, affective, psychomotor, or cognitive). Finally, the total life cycle costs of live training as compared to M&S supported training must also be evaluated and compared for each training task. In general, the study concluded that given current technologies, training tasks that are procedural, rote, and individual or of low to medium complexity can be performed very cost effectively with M&S supported capabilities. As always, the Department will leverage and further explore any and all ways to cost effectively prepare our Nation's force for military operations.

MILITARY READINESS

2. Senator NELSON. Mr. Vollrath, readiness is already impacted by sequestration. The Florida Air National Guard has reduced their flying hours by 57 percent, impacting the ability for pilots to remain current and qualified. The 125th Fighter Wing in Jacksonville provides air dominance for the southeastern United States. Can you speak to the downsides of establishing tiered readiness levels for our combat units, such as the 125th Fighter Wing?

Mr. VOLLRATH. The Services must be resourced to provide enough ready units when the Nation needs them. Each Service has force generation functions to produce ready units/capabilities. They recognize the realities of how long it takes to generate ready units/capabilities (and keep them ready) as well as the particulars of the demand signal from our combatant commanders. Many units/capabilities aren't required in large numbers or on an immediate timeline, and in those cases, building rotational force generation models (i.e. "tiering") makes perfect sense. What is harmful is when it isn't the demand signal that shapes the "tiering", but a shortage of resources. My concern is this will result in an inadequate supply of ready forces when the need arises, and/or the inability to restore the readiness of forces to meet required timelines.

QUESTIONS SUBMITTED BY SENATOR CLAIRE MCCASKILL

MENTAL HEALTH

3. Senator MCCASKILL. Mr. Vollrath, the Armed Forces Health Surveillance Center recently conducted a study that found pilots of drone aircraft experience mental health problems like depression, anxiety, and post-traumatic stress at the same rate as pilots of manned aircraft who are deployed to Iraq or Afghanistan. Air Force officials and independent experts have suggested several potential causes, among them witnessing combat violence on live video feeds, working in isolation or under inflexible shift hours, juggling the simultaneous demands of home life with combat operations, and dealing with intense stress because of crew shortages.

The Air Force also conducted research into the health issues of drone crew members. In a 2011 survey of nearly 840 drone operators, it found that 46 percent of Reaper and Predator pilots, and 48 percent of Global Hawk sensor operators, reported "high operational stress". Those crews cited long hours and frequent shift changes as major causes. That study found the stress among drone operators to be much higher than that reported by Air Force members in logistics or support jobs. But it did not compare the stress levels of the drone operators with those of traditional pilots.

The new study looked at the electronic health records of 709 drone pilots and 5,256 manned aircraft pilots between October 2003 and December 2011. Those records included information about clinical diagnoses by medical professionals and not just self-reported symptoms. The study found that pilots of both manned and unmanned aircraft had lower rates of mental health problems than other Air Force personnel. Clearly this is a readiness issue, with the contradiction in the findings of those two studies, do you think we have a clear picture of the mental health needs of our pilots?

Mr. VOLLRATH. After consulting with the Office of the Assistant Secretary of Defense for Health Affairs, it is clear that the Department's understanding of this issue is constantly improving. It is important to note that rates of formally diagnosed PTSD in Air Force pilots have remained low. Despite many years at war and an increasing reliance on remotely piloted aircraft, PTSD rates in all pilots as a group remain lower (at about two per thousand) than many other career groups, such as airmen in "outside the wire" combat missions (e.g., security forces or explosive ordnance disposal staff) or others with direct exposure to the dead or dying, such as medical personnel.

Even though rates of formal diagnosis of PTSD have remained low, we are aware that pilots experience stress. Pilots with traditional combat exposure or those who visualize battle remotely can be at risk for combat stress or PTSD. Since 2009, line leaders and the USAF School of Aerospace Medicine (USAFSAM) have monitored closely our RPA and intelligence career fields. Through a series of surveys and interviews USAFSAM continues to gather information, expand research, and provide recommendations to leaders and providers, and to inform aeromedical policy. Future studies will seek to compare RPA teams with other high tempo teams such as aeromedical and C-17 missions. Finally, stepping forward to help meet the needs of the growing remotely piloted mission, the Air Force dedicated several additional mental health providers to RPA and intelligence units. In concert with flight medicine physicians, chaplains, and commanders, they will assist Air Force leaders and supervisors in comprehensive support of these valued teams.

4. Senator MCCASKILL. Mr. Vollrath, do you believe there is any pressure among both manned and unmanned aircraft pilots not to report mental health symptoms to doctors out of fears that they will be grounded?

Mr. VOLLRATH. I consulted with the Office of the Assistant Secretary of Defense for Health Affairs in order to properly respond to this question. That aircrew (whether from manned or unmanned airframes) may not fully disclose mental health problems to physicians due to fears of being grounded is a phenomenon that is not unique to aircrew, nor to non-rated servicemembers with mental health problems. Military members are reluctant to report any condition that they think may adversely impact their duty or retention status. This is particularly true of aviators who must meet more restrictive standards, whose special pay is attached to their operational readiness, and whose competition for promotion may be affected by an untimely and prolonged "Duties Not Involving Flying" period. It is a finding that military leadership has often encountered across the Services and myriad of career fields.

DOD health care utilization rates are not the most reliable form of identifying mental health issues within military populations, including RPA operators. Relying

on self-disclosure to estimate true prevalence rates has known methodological limitations. Research has shown higher rates of self-disclosure of symptoms in the pilot community using anonymous surveys rather than annual web-based health assessments. Additionally, placement of operational psychologists embedded within flight medicine and operational units facilitates interaction and disclosure of problems among RPA pilots. The Air Force implemented this initiative in 2011 and continues to increase the placements of operational psychologists across the Air Force.

QUESTIONS SUBMITTED BY SENATOR JAMES M. INHOFE

CHILD DEVELOPMENT CENTERS

5. Senator INHOFE. Mr. Vollrath, allegations of child abuse at the Fort Myer Child Development Center (CDC) in December prompted the Secretary of Defense to order the Services to fully investigate all CDC activities and to provide reports to him by January 21, 2013. The audit revealed areas for improvement. Last week, we learned that the Fort Myer CDC has lost its accreditation. When will Congress be provided the findings of DOD's audit of CDCs?

Mr. VOLLRATH. At this time, the Office of the Secretary of Defense has not indicated that the report is available for release. It will be made available to Congress as soon as it is approved for release by the Secretary of Defense. The Services and OSD are addressing identified areas of improvement at the DOD and Military Service level. The Fort Myer Child Development Center National Association for the Education of Young Children (NAEYC) accreditation was revoked. NAEYC procedures require revocation if a required standard is not met.

6. Senator INHOFE. Mr. Vollrath, what improvements will DOD make to ensure that young children are protected from abuse when receiving care in CDCs?

Mr. VOLLRATH. DOD and the Military Services are committed to providing a safe environment for the 200,000 children that we provide care for on a daily basis. We are revising the current Department of Defense Instruction (DODI) which covers background checks for any individuals who have contact with children on a regular basis (including child care workers, volunteer coaches, youth recreation employees, et cetera). While the existing DODI met the requirements of current legislation, the audit ordered by the Secretary of Defense identified areas that could be improved upon and we are focusing on making these changes.

SPOUSE EDUCATION AND CAREER OPPORTUNITIES

7. Senator INHOFE. Mr. Vollrath, how many spouses have been helped, and how many still need help from Spouse Education and Career Opportunities (SECO) programs?

Mr. VOLLRATH. In fiscal year 2012, the SECO program provided career and education counseling for more than 132,000 spouses through the SECO Career Center; provided more than 36,000 military spouses with scholarships for job training, licensing and certificates through the My Career Advancement Account (MyCAA) scholarship program, and worked with 160 private sector companies and organizations to hire more than 36,000 military spouses. However, more than 1 in 4 (26 percent) military spouses in the labor force are unemployed, which accounts for approximately 90,000 spouses. Furthermore, when they are employed, the income levels of military spouses often lag behind their civilian counterparts. A recent study showed that military wives with full-time jobs earned 25 percent less than their civilian counterparts. In light of these statistics, we must continue to work to ensure that our military spouses are provided the tools, resources, and opportunities to contribute to their family's financial stability, resilience, and well-being.

8. Senator INHOFE. Mr. Vollrath, do you believe these programs, as currently resourced and executed, are actually helping military spouses gain employment opportunities that meet their financial and professional stability needs?

Mr. VOLLRATH. Yes. The SECO program has been successful because we address the comprehensive needs of military spouses throughout their career lifecycle. SECO assists them in deciding on a career path, provides them information to train and learn in order to access the career they have chosen, gives them tools and assistance to embark on an effective career search and makes the connection to the employer who will value the skills that they bring to the 21st century workforce.

HEALTHCARE COSTS

9. Senator INHOFE. Mr. Vollrath, DOD's personnel and entitlement spending represent an ever increasing portion of the DOD budget. Healthcare spending is a big driver of increased costs. DOD's health care budget has increased from about \$19 billion in fiscal year 2001 to about \$52 billion in fiscal year 2013. Healthcare represents about 10.2 percent of DOD's topline. In the NDAA for Fiscal Year 2013, Congress established the Military Compensation and Retirement Modernization Commission to study and make recommendations on compensation and retirement reform. Should this Commission consider the impact of healthcare costs as it develops its recommendations on compensation and retirement reform?

Mr. VOLLRATH. Yes, the Department believes the Commission should consider the impact of healthcare costs as it develops recommendations on modernizing the military compensation and retirement systems. For its part, health and dental care are among the areas currently under review by the Department as it develops modernization recommendations for the Secretary to transmit to the Commission.

10. Senator INHOFE. Mr. Vollrath, how can DOD better control the cost of healthcare of servicemembers as they move through the accession-to-retirement continuum and beyond?

Mr. VOLLRATH. Although health care is not within the purview of the Assistant Secretary of Defense for Readiness and Force Management, I have consulted with the Office of the Assistant Secretary of Defense for Health Affairs in order to properly respond to this question. Controlling health care costs is a complex problem that will require a complementary approach to solving. The Military Health System advocates four simultaneous actions to reduce costs: (1) internal efficiencies to better organize our decisionmaking and execution arm; (2) a continuation of efforts to appropriately pay private sector providers; (3) initiatives that promote health, reduce illness, injury and hospitalization; and (4) proposed changes to beneficiary cost-sharing under TRICARE.

DOD REVIEW OF SAME SEX SPOUSE BENEFITS AND IMPACT OF DEFENSE OF MARRIAGE ACT

11. Senator INHOFE. Mr. Vollrath, recently, the Secretary of Defense announced the intent to provide additional benefits to same-sex domestic partners who declare a committed relationship, but not to unmarried heterosexual domestic partners. What is the legal and policy rationale for DOD to favor same-sex partners over heterosexual partners in offering these benefits?

Mr. VOLLRATH. Heterosexual couples, if they so choose, have the opportunity in every State to get married, and their marriage is recognized in Federal law. Currently, same-sex couples do not have this opportunity (per the Defense of Marriage Act (DOMA), we can only recognize marriage between a man and a woman). Thus, same-sex couples and opposite-sex couples are not similarly protected under the law. The benefits extended are a significant effort to close the gap in equity for benefits, consistent with current law.

12. Senator INHOFE. Mr. Vollrath, has DOD considered the potential for litigation by heterosexuals, who are not married but who are also in a committed relationship, who believe they are being denied equal treatment?

Mr. VOLLRATH. Same-sex and opposite-sex couples are not similarly situated. Opposite-sex couples can get married in any State, the District of Columbia, or U.S. territory, and their marriage is recognized under Federal law. Currently, same-sex couples do not have this same opportunity (per DOMA, we can only recognize marriage between one man and one woman). Thus, the two categories of couples are not similarly situated under the law.

13. Senator INHOFE. Mr. Vollrath, what will be the increased costs associated with extending benefits to the same sex spouses of military members during a time when this administration has imposed drastic budget cuts to DOD?

Mr. VOLLRATH. The cost of extending benefits to same-sex domestic partners of military members is negligible. Many of the benefits selected for extension are self-sustaining programs designed to accommodate fluctuations in need and population, such as commissary and exchange privileges and MWR programs. Other benefits, such as dual military spouse assignments and emergency leave, are provided to the servicemember regardless of relationship status therefore there is no additional cost anticipated.

WOMEN IN COMBAT

14. Senator INHOFE. Mr. Vollrath, I am concerned about the potential adverse impacts to readiness resulting from Secretary of Defense Panetta's announcement to rescind the 1994 rule that prohibits women from being assigned to smaller ground combat units, and his plan to potentially open more than 230,000 combat positions to women. DOD is pursuing this major policy change during a time when every branch of the Armed Forces has consistently met recruitment goals, is attracting and retaining high quality and skilled personnel at record rates and, recently, requested Congress to authorize the Army and Marine Corps to reduce end strength by 100,000 ground troops over the next 4 years. What compelling national security interest is advanced by opening up more positions to women at this time?

Mr. VOLLRATH. It is the in best interest of national security to have the best and brightest person serving in any position based upon their abilities, qualifications, and guiding principles developed by the Joint Chiefs of Staff. This is consistent with our values and enhances military readiness.

15. Senator INHOFE. Mr. Vollrath, what assurance can you provide that decisions to open positions and units to women will be based on bona fide military requirements, and will not result in needlessly exposing any American servicemember, men or women, to more risk of death or serious injury, than is absolutely required by military necessity?

Mr. VOLLRATH. The decision to open positions to all qualified personnel enhances military readiness. The Department can ill afford to arbitrarily reduce the pool of qualified personnel based on gender. As a result, it is in the best interest of the Department to allow both men and women who meet the standards for these positions to compete for them.

 QUESTIONS SUBMITTED BY SENATOR KELLY AYOTTE

END STRENGTH IN THE SERVICES

16. Senator AYOTTE. Mr. Vollrath, in your responses to the advance policy questions you discuss end strength reductions that are being implemented between now and 2017. You correctly highlight the importance that we keep faith with our troops. In the NDAA for Fiscal Year 2013, I was able to include a provision (section 525) that requires the secretary of each Military Department to report to Congress regarding troops that were involuntarily separated from the military. I am especially concerned about the Army. The Army has testified in the past that it may have to issue thousands of involuntary separations to achieve its end strength reductions. I believe it would be breaking faith with our troops if we welcome home well-performing troops by handing them a pink slip. Do you agree?

Mr. VOLLRATH. It is the Department policy that voluntary separation authorities be used to the maximum extent possible prior to using involuntary measures to reduce the force. Indeed, that is the best way to keep faith with our troops. However, we also realize there are circumstances that may preclude Services from using voluntary measures.

1. Voluntary separation incentives can drive up costs; the Secretaries of the Military Departments have to balance these costs with the need to maintain mission readiness. Voluntary separation incentives may not be sufficient to properly shape the force.
2. Involuntary separations may be necessary for the Services to properly shape their forces and to allow selectivity when drawing down the size of our forces. As we draw down it is imperative that we retain those that the Department will need in the future.
3. The military is the most respected profession in the United States. Strong retention numbers demonstrate that many of our members love what they do and want to continue serving as long as possible.

17. Senator AYOTTE. Mr. Vollrath, do you commit to ensuring the Services honor the reporting requirements in section 525?

Mr. VOLLRATH. Yes. If confirmed, I will ensure we fully comply with the reporting requirements of section 525.

18. Senator AYOTTE. Mr. Vollrath, will you make every effort to avoid the use of involuntary separations as we reduce the size of our force?

Mr. VOLLRATH. If confirmed, I will make every effort to minimize the use of involuntary separations. However, we should all be cognizant of the fact that involuntary

separations will be necessary to ensure the military is postured correctly for mission readiness and to meet all national security objectives.

19. Senator AYOTTE. Mr. Vollrath, what assistance or additional authorities do you need to achieve this goal?

Mr. VOLLRATH. The Department is requesting additional authority for the Secretary of Defense to have the flexibility to reduce the mandatory retirement point (for years of service) for lieutenant colonels and Navy commanders from 28 years of Active commissioned service to 25 years; and for colonels and Navy captains from 30 years of Active commissioned service to 27 years.

UTILIZING THE RESERVES

20. Senator AYOTTE. Mr. Vollrath, in your responses to the advance policy questions, you write: "In a constrained resource environment, the Reserve component gives the Department a unique opportunity to preserve overall operational capability and mitigate risk at reduced cost." Do you agree that the Reserve component can provide comparable operational capability at a reduced cost?

Mr. VOLLRATH. I believe the last 10 years have proven the Reserve component can provide comparable operational capability. The current budget environment provides an opportunity to examine ways in which the Reserve component may offer the Services an effective way to preserve capability and capacity, within manageable risk. Each Service should review their roles and missions and determine the appropriate AC/RC mix within their respective organization. This review should include factors such as the capabilities required by the combatant commanders and the associated timelines, pay, operating costs, time to train, and levels of proficiency.

21. Senator AYOTTE. Mr. Vollrath, based on declining defense resources, do you agree that we should be increasing, not decreasing, our reliance on the Reserve component?

Mr. VOLLRATH. Over the last 10 years, we've seen that the Reserve component can be a very capable resource. However, getting the right balance of capabilities across the components is important and should be a direct function of the demand signal from our combatant commanders as well as the comparative advantage of each component to produce and retain those capabilities. We know from past experience that if the Reserve component is not properly funded, it will atrophy resulting in recovery timelines that are long and expensive. Getting the right balance between our AC/RC components is important, particularly as we adjust to reduced resources.

22. Senator AYOTTE. Mr. Vollrath, are there any roles and missions that we should increasingly shift from the Active component to the Reserve component?

Mr. VOLLRATH. Our current fiscal environment, recent legislation passed by Congress in the 2012 National Defense Authorization Act (NDAA), plus our new defense strategy offers us a unique opportunity to shape our future forces. Getting the right balance of capabilities across the components is important and should reflect the demand signal from our combatant commanders as well as the comparative advantage of each component to produce and retain those capabilities. There may be current roles and missions that reside in the active component that could shift to the Reserve and vice versa. As we work the Quadrennial Defense Review, the Services will take this opportunity to shape their force mix to maintain the most capability and capacity while mitigating risk.

QUESTIONS SUBMITTED BY SENATOR MIKE S. LEE

BIOFUELS

23. Senator LEE. Mr. Vollrath, in 2012, the Navy undertook the expensive "Great Green Fleet" demonstration, purchasing 450,000 gallons of biofuel at \$26 a gallon for a total of \$12 million spent on fuel for just one demonstration. The Air Force similarly spent \$639,000 on 11,000 gallons of biofuels for a demonstration in 2012, costing the taxpayer \$59 per gallon. With the prospect of sequestration and a much tighter defense budget in coming years, do you believe that the military should continue such large-scale demonstrations using biofuels? Please provide a yes or no answer, and if answering yes, please provide a justification as to why programs involving biofuels should be prioritized over other research and development programs.

Mr. VOLLRATH. As this issue is outside of the purview of the Assistant Secretary of Defense for Readiness and Force Management, I defer to my colleagues Mr. Estevez and Mr. Fanning to respond to this question.

FUTURE ACQUISITION PROCESS

24. Senator LEE. Mr. Vollrath, with the prospect of sequester cuts to DOD this year and continuing cuts through the next 9 fiscal years, we must change the way that acquisitions are conducted in order to be more efficient and cost effective. Necessary acquisitions, such as our next generation fighter jet, have been plagued by delays and budget overruns. What lessons have been learned so far from the F-35 program that you will implement in future acquisitions?

Mr. VOLLRATH. As this issue is outside of the purview of the Assistant Secretary of Defense for Readiness and Force Management, I defer to my colleagues Mr. Estevez and Mr. Fanning to respond to this question.

[The nomination reference of Mr. Frederick E. Vollrath follows:]

NOMINATION REFERENCE AND REPORT

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
January 22, 2013.

Ordered, That the following nomination be referred to the Committee on Armed Services:

Frederick Vollrath, of Virginia, to be an Assistant Secretary of Defense. (New Position).

[The biographical sketch of Mr. Frederick E. Vollrath, which was transmitted to the committee at the time the nomination was referred, follows:]

BIOGRAPHICAL SKETCH OF FREDERICK E. VOLLRATH

Education:

University of Miami

- 1958–1962 - Bachelor of Business Administration in Management awarded 1962

Central Michigan University

- 1975–1976 - Master of Arts in Personnel Management awarded 1976

Employment Record:

Principal Deputy Assistant Secretary of Defense for Readiness and Force Management - 2012–present

Computer Sciences Corporation - 1999–2006

- Corporate Vice President of Human Resources

U.S. Army - 1963–1998

- Human Resources Management Command
- Deputy Chief of Staff for Personnel (G-1)
- Retired as Lieutenant General in 1998

Honors and awards:

Distinguished Service Medal

Legion of Merit

Bronze Star

Meritorious Service Medal

Army Commendation Medal

Adjutant General Corps Regimental Hall of Fame

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate to complete a form that details

the biographical, financial, and other information of the nominee. The form executed by Mr. Frederick E. Vollrath in connection with his nomination follows:]

UNITED STATES SENATE
COMMITTEE ON ARMED SERVICES

Room SR-228
Washington, DC 20510-6050
(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM
BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF
NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearings and will also be published in any hearing record as well as made available to the public.

1. **Name:** (Include any former names used.)
Frederick Emil Vollrath.
2. **Position to which nominated:**
Assistant Secretary of Defense for Readiness and Force Management.
3. **Date of nomination:**
January 22, 2013.
4. **Address:** (List current place of residence and office addresses.)
[Nominee responded and the information is contained in the committee's executive files.]
5. **Date and place of birth:**
July 16, 1940; Miami Beach, FL.
6. **Marital Status:** (Include maiden name of wife or husband's name.)
Married to Joy Pollock Vollrath.
7. **Names and ages of children:**
Forrest Vollrath, 48 years.
Hans Vollrath, 46 years.
Mark Vollrath, 39 years.
8. **Education:** List secondary and higher education institutions, dates attended, degree received, and date degree granted.
Coral Gables High School, HS Diploma, 1954-1958.
University of Miami, Coral Gables, FL, Bachelor Business Administration, 1958-1962.
Central Michigan University, Mount Pleasant, MI, Master of Arts, Personnel Management, 1976.
9. **Employment record:** List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.
Principal Deputy Assistant Secretary of Defense (Readiness and Force Management)
Retired, Lorton, VA, January 2006-March 2012.
Corporate Vice President Human Resources, Computer Sciences Corporation, El Segundo, CA, February 1999-December 2005.
10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.
U.S. Army, May 1963-October 1998

11. **Business relationships:** List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

None.

12. **Memberships:** List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable, and other organizations.

Society of Human Resource Management, Member, Alexandria, VA.

Kappa Sigma Fraternity, Member, Charlottesville, VA.

13. **Political affiliations and activities:**

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

None.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$100 or more for the past 5 years.

Hillary Clinton for President, \$2,200.

14. **Honors and awards:** List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

Distinguished Service Medal

Legion of Merit

Bronze Star

Meritorious Service Medal

Army Commendation Medal

Adjutant General Corps Regimental Hall of Fame

15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

None.

16. **Speeches:** Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

None.

17. **Commitments regarding nomination, confirmation, and service:**

(a) Have you adhered to applicable laws and regulations governing conflicts of interest?

Yes.

(b) Have you assumed any duties or undertaken any actions which would appear to presume the outcome of the confirmation process?

No.

(c) If confirmed, will you ensure your staff complies with deadlines established for requested communications, including questions for the record in hearings?

Yes.

(d) Will you cooperate in providing witnesses and briefers in response to congressional requests?

Yes.

(e) Will those witnesses be protected from reprisal for their testimony or briefings?

Yes.

(f) Do you agree, if confirmed, to appear and testify upon request before this committee?

Yes.

(g) Do you agree to provide documents, including copies of electronic forms of communication, in a timely manner when requested by a duly constituted committee, or to consult with the committee regarding the basis for any good faith delay or denial in providing such documents?

Yes.

[The nominee responded to the questions in Parts B–F of the committee questionnaire. The text of the questionnaire is set forth in the Appendix to this volume. The nominee’s answers to Parts B–F are contained in the committee’s executive files.]

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

FREDERICK E. VOLLRATH.

This 21st day of February, 2013.

[The nomination of Mr. Frederick E. Vollrath was reported to the Senate by Chairman Levin on March 20, 2013, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on April 18, 2013.]

[Prepared questions submitted to Mr. Eric K. Fanning by Chairman Levin prior to the hearing with answers supplied follow:]

QUESTIONS AND RESPONSES

DEFENSE REFORMS

Question. The Goldwater-Nichols Department of Defense Reorganization Act of 1986 and the Special Operations reforms have strengthened the warfighting readiness of our Armed Forces. They have enhanced civilian control and clearly delineated the operational chain of command and the responsibilities and authorities of the combatant commanders, and the role of the Chairman of the Joint Chiefs of Staff. They have also clarified the responsibility of the Military Departments to recruit, organize, train, equip, and maintain forces for assignment to the combatant commanders.

Do you see the need for modifications of any Goldwater Nichols Act provisions?

Answer. Not currently. I agree with the goals of those defense reforms; they remain essential to the effective employment of our Nation's Armed Forces. Most importantly, they have yielded a demonstrated improvement in the joint warfighting capabilities of the U.S. military.

Question. If so, what areas do you believe might be appropriate to address in these modifications?

Answer. I have no suggestions for modifications to the Goldwater-Nichols legislation. Should I identify areas that merit reform, I will propose those changes through the appropriate established process.

QUALIFICATIONS

Question. What background and experience do you have that you believe qualifies you for this position?

Answer. If confirmed, I will bring more than 2 decades of broad experience in national security policy and programs as well as management to this position. From research assistant on the House Armed Services Committee, to Senior Vice President for Strategic Development at Business Executives for National Security, to my current position as the Deputy Under Secretary of the Navy, I have examined national security challenges from many perspectives. I have worked closely with the other Military Services, the national security interagency community, and Members of Congress to help make the right decisions for our Nation's defense. I have also grappled with tough trade-offs among programs in a fiscally-constrained environment and have considered the implications of changes in defense law and policy. If confirmed, I believe these skills and my experience can benefit the Air Force and the broader Department of Defense (DOD).

DUTIES

Question. Section 8015 of title 10, U.S.C., states the Under Secretary of the Air Force shall perform such duties and exercise such powers as the Secretary of the Air Force may prescribe.

What is your understanding of the duties and functions of the Under Secretary of the Air Force?

Answer. The position of the Under Secretary of the Air Force is established by law within the Office of the Secretary of the Air Force. Subject to the Secretary of the Air Force's direction and control, the Under Secretary exercises the full authority of the Secretary to conduct the affairs of the Department of the Air Force (except as limited by law, regulation or limitations imposed by DOD or the Secretary of the

Air Force). The Under Secretary also serves as the Chief Management Officer of the Air Force, the senior energy official, and the focal point for space at the Air Force headquarters.

Question. What recommendations, if any, do you have for changes in the duties and functions of the Under Secretary of the Air Force, as set forth in section 8015 of title 10, U.S.C., or in DOD regulations pertaining to functions of the Under Secretary of the Air Force?

Answer. At this time, I am unaware of any reason to change the duties and functions of the Under Secretary as set out in title 10 and pertinent DOD regulations. If I am confirmed and I identify areas that I believe merit changes, I will propose those changes through the appropriate established processes.

Question. Assuming you are confirmed, what additional duties, if any, do you expect will be prescribed for you?

Answer. If confirmed, I look forward to working with the Secretary of the Air Force to further his vision and goals for the Air Force. I expect the Secretary to prescribe duties for me relating to the Under Secretary of the Air Force's responsibilities, particularly in the role of Chief Management Officer.

Question. Section 904(b) of the National Defense Authorization Act for Fiscal Year 2008, directs the Secretary of a Military Department to designate the Under Secretary of such Military Department to assume the primary management responsibility for business operations.

What is your understanding of the business operations responsibilities of the Under Secretary of the Air Force?

Answer. It is my understanding that the business operations responsibilities of the Chief Management Officer, consistent with section 904 of the National Defense Authorization Act for Fiscal Year 2008, include the following: ensuring the Air Force's capability to carry out DOD's strategic plan in support of national security objectives; ensuring the core business missions of the Department of the Air Force are optimally aligned to support the Department's warfighting mission; establishing performance goals and measures for improving and evaluating overall economy, efficiency, and effectiveness and monitoring and measuring this progress; and working with DOD's Chief Management Officer to develop and maintain a strategic plan for business reform.

RELATIONSHIPS

Question. If confirmed, what would be your working relationship with: The Secretary of Defense.

Answer. The Secretary of Defense serves as the principal assistant to the President on all DOD matters. The Secretary of the Air Force is subject to the authority, direction and control of the Secretary of Defense and the Under Secretary of the Air Force works for the Secretary of the Air Force. The Under Secretary also serves as the Chief Management Officer of the Air Force, the senior energy official, and the focal point for space at the Air Force headquarters. As the focal point of space for the Air Force, the Under Secretary coordinates all of the space functions and activities across the Air Force, and is the primary interface to the Office of the Secretary of Defense for space matters. If confirmed, I would look forward to working closely with the Secretary of Defense and his office on space-related matters, energy issues, and other matters as directed by the Secretary of the Air Force.

Question. The Deputy Secretary of Defense.

Answer. The Deputy Secretary of Defense assists the Secretary of Defense in carrying out his duties and responsibilities and performs those duties assigned by the Secretary of Defense or by law. If confirmed, I will work closely with the Deputy Secretary of Defense on a range of matters. In particular, I would look forward to working with and supporting the Deputy Secretary of Defense in his role as Chief Management Officer of DOD.

Question. The Deputy Chief Management Officer of the Department of Defense.

Answer. The Deputy Chief Management Officer (DCMO) is the principal staff assistant and advisor to the Secretary of Defense and Deputy Secretary of Defense for matters relating to the management and improvement of integrated DOD business operations. In this role the DCMO is charged with leading the synchronization, integration, and coordination of the disparate business activities of the Department to ensure optimal alignment in support of the warfighting mission. If confirmed, I look forward to building on my close working relationship with the DCMO in my new capacity as the Air Force Chief Management Officer.

Question. The Director of the Business Transformation Agency.

Answer. This office no longer exists.

Question. The Chairman of the Joint Chiefs of Staff.

Answer. The Chairman of the Joint Chiefs of Staff is the principal military advisor to the President, the National Security Council, and the Secretary of Defense. If confirmed, I will work closely with the Chairman through the Chief of Staff of the Air Force on appropriate matters affecting the Air Force.

Question. The Vice Chairman of the Joint Chiefs of Staff.

Answer. The Vice Chairman has the same statutory authorities and obligations of other members of the Joint Chiefs of Staff. When performing duties as the acting Chairman, the Vice Chairman's relationship with the combatant commanders is exactly the same as that of the Chairman. If confirmed, I will work closely with the Vice Chairman through the Chief of Staff of the Air Force on appropriate matters affecting the Air Force.

Question. The Secretary of the Air Force.

Answer. Subject to the authority, direction, and control of the Secretary of Defense, the Secretary of the Air Force is responsible for and has the authority necessary to conduct all affairs of the Department of the Air Force. The Under Secretary of the Air Force is subject to the authority, direction, and control of the Secretary of the Air Force. If confirmed, I expect the Secretary to assign me a wide range of duties and responsibilities involving, but not limited to, organizing, supplying, equipping, training, maintaining, and administering the Air Force. I look forward to working closely with the Secretary as his deputy and principal assistant.

Question. The Chief of Staff of the Air Force.

Answer. The Chief of Staff of the Air Force is directly responsible to the Secretary of the Air Force and performs duties subject to his authority, direction, and control. For the Secretary of the Air Force, the Chief of Staff is responsible for providing properly organized, trained, and equipped forces to support the combatant commanders in their mission accomplishment. The Chief of Staff oversees members and organizations across the Air Force, advising the Secretary on plans and recommendations, and, acting as an agent of the Secretary, implementing plans upon approval. If confirmed, I would foster a close working relationship with the Chief of Staff to ensure that policies and resources are appropriate to meet the needs of the Air Force and respect his additional responsibilities as a member of the Joint Chiefs of Staff.

Question. The Assistant Secretaries of the Air Force.

Answer. The Assistant Secretaries of the Air Force carry out the goals and priorities of the Air Force. If confirmed, I will assist the Secretary in building a strong team through close relationships and information sharing, and I look forward to working with the Assistant Secretaries to further the Secretary's vision.

Question. The General Counsel of the Air Force.

Answer. The General Counsel (GC) is the senior civilian legal advisor to Air Force senior leaders and all officers and agencies of the Department of the Air Force. The GC serves as the chief ethics official. If confirmed, I look forward to developing a strong working relationship with the GC and his staff.

Question. The Inspector General of the Air Force.

Answer. The Inspector General (IG) of the Air Force is a general officer who is detailed to the position by the Secretary of the Air Force. When directed, the IG inquires into and reports on matters affecting the discipline, efficiency, and economy of the Air Force. He also proposes programs of inspections and investigations as appropriate. If confirmed, I would look forward to developing a good working relationship with the IG.

Question. The Surgeon General of the Air Force.

Answer. The Surgeon General (SG) of the Air Force is the functional manager of the Air Force Medical Service and provides direction, guidance, and technical management of Air Force medical personnel at facilities worldwide. The SG advises the Secretary of the Air Force and Air Force Chief of Staff, as well as the Assistant Secretary of Defense for Health Affairs, on matters pertaining to the medical aspects of the air expeditionary force and the health of Air Force personnel. If confirmed, I would look forward to developing a good working relationship with the SG.

Question. The Air Force Business Transformation Office.

Answer. The Air Force Business Transformation Office is responsible for assisting the Under Secretary of the Air Force in performing the duties of Air Force Chief Management Officer as they relate to improving the effectiveness and efficiency of Air Force business operations. The Air Force Deputy Chief Management Officer has been designated as the Director of the Air Force Business Transformation Office. The office advises Air Force senior leadership on establishment of strategic performance goals, management of Air Force-wide cross functional activities to meet those goals, and implementation of continuous process improvement initiatives. If confirmed, I anticipate a very active and involved role with the Air Force Business Transformation Office on matters affecting the Air Force-wide business operations.

Question. The Judge Advocate General of the Air Force.

Answer. The Judge Advocate General (TJAG) is the senior uniformed legal advisor to Air Force senior leaders and all officers and agencies of the Department of the Air Force and provides professional supervision to TJAG's Corps in the performance of their duties. If confirmed, I will look forward to developing a good working relationship with TJAG and the TJAG staff.

Question. The Chief of the National Guard Bureau.

Answer. The Chief of the National Guard Bureau is the senior uniformed National Guard officer responsible for formulating, developing, and coordinating all policies, programs, and plans affecting Army and Air National Guard personnel, and is also a member of the Joint Chiefs of Staff. Appointed by the President, he serves as principal adviser to the Secretary of Defense through the Chairman of the Joint Chiefs of Staff on National Guard matters. He is also the principal adviser to the Secretary and Chief of Staff of the Air Force on all National Guard issues and serves as the Department's official channel of communication with the governors and adjutants general. If confirmed, I will look forward to developing a good working relationship with the chief of the National Guard Bureau on appropriate matters affecting the Air Force.

Question. The Under Secretaries of the Military Services.

Answer. If I am confirmed, I will work diligently to foster a close working relationship with the Under Secretaries of the Army and Navy. I look forward to sharing information and expertise that will assist in the management of the Department of the Air Force and our coordination with the other Services on matters of mutual interest, particularly in our capacities as Chief Management Officers for our respective Services.

MAJOR CHALLENGES AND PRIORITIES

Question. In your view, what are the major challenges, if any, that you would confront if confirmed as Under Secretary of the Air Force?

Answer. This is a time of great challenge for the Air Force, DOD, and the Nation. The security environment is one where the pace of change is rapid. We live in a world where individual acts are powerful and the effects of these acts can be global. This requires a resilient, flexible, and responsive force ready to answer the Nation's call.

Force structure choices are difficult, especially under current fiscal conditions. But the Air Force, like all of the Services, must continue to maximize each taxpayer dollar to support the joint warfighter in today's conflict while ensuring we can prevail in the next fight, whatever and wherever it may be. The Air Force must balance the need to modernize platforms with the requirement to invest in new technologies and capabilities. As we all know, the men and women who serve are truly our most valuable asset. So, the Air Force must also ensure that it can continue to recruit, train, deploy, and retain highly-skilled airmen, and support those airmen and their families. At a time of great fiscal uncertainty for our Nation, these challenges will continue to pose hard choices for the Service in the years ahead.

If confirmed, I will work to meet these challenges, especially in my role as the Chief Management Officer of the Air Force, by continuing to identify efficiencies, ensuring that the Air Force is getting the most from its investment of taxpayers' resources. I will also work toward more efficient and cost-effective acquisition processes and program execution, particularly in the areas of energy and space. I look forward to working closely with DOD and Air Force leadership, along with this committee, to develop strategies for addressing these major challenges facing the Air Force and the Nation.

Question. If confirmed, how would you prioritize and what plans would you have, if any, for addressing these challenges?

Answer. The Secretary and Chief of Staff of the Air Force have laid out clear priorities—continue to strengthen the nuclear enterprise; partner with the joint and coalition team to win today's fight; develop and care for airmen and their families; modernize air and space inventories, organizations, and training; and recapture acquisition excellence.

If confirmed, I look forward to working with senior DOD and Air Force leadership, as well as this committee, to ensure that we make the right choices for the Air Force and the Nation. All of these priorities will require sustained leadership and effort with an eye toward ensuring the best support for the warfighter and the wise use of taxpayer resources.

AIR FORCE GLOBAL POSTURE

Question. The Department of Defense Strategic Guidance issued in January 2012 emphasized the Asia-Pacific and Middle East regions while still ensuring the U.S. ability to maintain mutual defense commitments in Europe. The Strategic Guidance calls for a rebalancing of the U.S. military investment in Europe, which will be achieved in part through rotational presence at overseas bases in Europe.

In your view, should we consider making more substantial reductions in Air Force force structure in Europe, particularly in view of the shift in strategy toward the Asia-Pacific arena?

Answer. The United States' defense commitments to Europe and our role in NATO remain paramount to regional stability and our international security interests. Considerations to substantially reduce force structure or employ it in new ways within Europe will require clear planning with our partners. The Air Force brings unique capabilities to Europe as part of a balanced forward presence that assures our allies of our commitment and dissuades potential adversaries from dangerous action. Additionally, I understand the Air Force meets the capability and force-sizing requirements directed by the new Defense Strategic Guidance, providing global and adaptable forces in the highest priority areas and missions in the Asia-Pacific region and the Middle East, while still ensuring our ability to maintain our defense commitments to Europe and other allies and partners. If confirmed, I will work to ensure we continue to invest in collaborative defense programs, which are in the strategic best interests of both the United States and our allies. Additionally, if we identify redundant capabilities that our partners can provide, we should carefully analyze the marginal costs of overseas presence and adjust appropriately.

MANAGEMENT OF SPACE ACTIVITIES

Question. As the Under Secretary of the Air Force, you would have an important role in helping the Secretary of the Air Force discharge his responsibilities as the Department of Defense Executive Agent for Space, in particular, for developing, coordinating, and integrating policy, plans and programs for major defense space acquisitions.

If confirmed, will you be designated as the DOD Executive Agent for Space?

Answer. I do not expect to be designated as the DOD Executive Agent for Space. While this role has been delegated in the past, the new DOD Directive does not extend the Executive Agent for Space authority.

Question. If you are designated as the DOD Executive Agent for Space, or are otherwise assisting the Secretary of the Air Force in his role as Executive Agent, how would you ensure that each of the Military Services remains fully engaged in and knowledgeable about space programs and the advantages that such programs can bring to the warfighter?

Answer. If confirmed, I do not expect to be designated as the DOD Executive Agent for Space. While this role has been delegated in the past, the new DOD Directive does not extend the Executive Agent for Space authority. However, assisting the Secretary of the Air Force in his role as EA for Space, I will foster a close working relationship with the Under Secretaries of the Army and Navy, as well as the appropriate Under and Assistant Secretaries of Defense and the Defense Advanced Research Projects Agency (DARPA), to ensure space acquisition planning, programming and budgeting are synchronized to continue to deliver the best space capability to the warfighter.

The responsibilities of the Air Force as the DOD's Executive Agent for Space can most successfully be accomplished through close coordination with these organizations for the development of space policy and the integration of space systems into broader departmental efforts.

Question. What is your view of the relationship of the Under Secretary of the Air Force to the Under Secretary of Defense for Policy and the Assistant Secretary of Defense for Networks and Information Integration with regard to space policy and systems?

Answer. If confirmed, I will be assigned a wide range of duties and responsibilities subject to the authority, direction and control of the Secretary of the Air Force. I anticipate being an active participant in a number of deliberative bodies which focus on developing, coordinating and integrating DOD policy, plans and programs for major defense acquisitions. For example, I will co-chair the Air Force Space Board and participate in the Defense Space Council as the Air Force representative. The perspective gained in these roles will inform my vision of the best ways to facilitate unity of effort across the space enterprise with the Under Secretary of Defense for Policy and the DOD Chief Information Officer, as well as other stakeholders.

Question. In your view, what are the authorities of the Executive Agent for Space regarding: (1) the budgets, programs, and plans of the various Service and Defense Agency space programs; and (2) milestone decisions for space acquisition programs of the various Services and Defense agencies?

Answer. With respect to planning, budgeting, and programming, I view the authorities of the DOD Executive Agent for Space as an integration function across the entire Department and space communities. If confirmed, I view the synchronization of space budgets between the Services and the coordination of space and non-space acquisitions as paramount to delivering fully integrated weapon systems to the battlefield.

Currently, the Under Secretary of Defense for Acquisition, Technology, and Logistics has milestone decision authority for space acquisition programs. If confirmed, I look forward to assisting the Under Secretary in managing and delivering space capabilities to the warfighter.

Question. The Government Accountability Office (GAO) has consistently pointed to fragmented leadership as a key contributor to disconnects in space programs and to acquisition problems. GPS-user equipment, for example, lags a decade behind new satellites because of disparate acquisition authority. Architectures for critical areas such as space situation awareness were slow to develop because of a lack of an authority that could pull together and adjudicate the needs of the many organizations in the space arena. Large programs have been canceled partly because agencies could not agree on requirements or work effectively together to provide oversight.

What do you think your role would be, if confirmed, in bringing together the space community versus protecting only the institutional interests of the Air Force?

Answer. If confirmed, I look forward to working closely with counterparts in the Office of the Secretary of Defense (OSD), the Service Departments and other Defense agencies on space-related issues. While the vast majority of space capabilities reside within the Air Force, I understand these capabilities exist to support national security objectives and the joint warfighter. The office of the Deputy Under Secretary (Space) shares a staff with the DOD Executive Agent for Space. This office is staffed by all four Services, which ensures a multi-Service perspective is brought forth on issues. Additionally, I will encourage a strong partnership with OSD and the Service Departments utilizing the Defense Space Council and other mechanisms for further collaboration, synchronization, and integration across DOD space activities.

If confirmed, I would use the current governance mechanisms to actively work with the other members of the Space community; I would informally develop relationships with peers outside of the Air Force (e.g. NASA, NRO, ODNI); and I would act in a highly collaborative and reliable manner with the other members of the Space community.

Question. How would you foster better cooperation and coordination with agencies inside and outside the Defense community?

Answer. If confirmed, I look forward to working with the Secretary of the Air Force, the Executive Agent for Space, to further cooperate on space activities across the U.S. Government. The National Reconnaissance Office is a member of the DSC while the Office of the Director of National Intelligence is regularly represented as well. The Intelligence Community Space Board also includes several members from DOD agencies, including the Defense Intelligence Agency and Office of the Under Secretary of Defense for Intelligence, and observers from the Office of the Under Secretary of Defense for Policy and the Director of the Executive Agent for Space Staff.

If confirmed, I will also participate in routinely scheduled, Executive-level meetings such as those between the Air Force, NASA, and the National Reconnaissance Office. The perspective gained in these roles will inform my vision of the best ways to facilitate unity of effort across the DOD Space enterprise and support the Secretary of the Air Force.

Question. Do you see a need to strengthen the authority of the Under Secretary of the Air Force or to establish any new authority to ensure better Government-wide coordination for space?

Answer. At this time, I am unaware of any reason to change the authorities assigned to the Under Secretary of the Air Force. Formed approximately 2 years ago, the Defense Space Council has had a positive impact on Government-wide coordination of space activities. If confirmed, I look forward to working closely with the Secretary of the Air Force in any capacity to build upon the success of the Defense Space Council.

SPACE LAUNCH

Question. On May 2, 2005, Boeing and Lockheed Martin announced plans to merge the production, engineering, test, and launch operations associated with providing Evolved Expendable Launch Vehicle (EELV) services to the U.S. Government. The companies believed the merger could save \$100–150 million per year for the U.S. Government while continuing to provide assured access to space. An October 2011 GAO report indicated that these cost savings have not materialized and have in fact increased due to lack of insight into the costs by the merged EELV contractor.

If confirmed, how would you ensure that the costs of launch are contained and transparent to the U.S. Government?

Answer. The new EELV acquisition strategy with quantity, rate, and time commitments, better executive oversight, the emergence of competition and better incentive contract types should ensure launch costs are contained. If confirmed, I plan to become more familiar with these efforts, to evaluate the actual cost savings and other benefits of the Air Force strategy.

Question. Maintaining assured access to launch has been the national security goal of the Department of the Air Force.

In your view is that goal achieved with the EELV vehicles or is there a need for alternative launch options by attracting new entrants to compete with the current EELV contractor?

Answer. Assured access to space has been achieved to date by the current ULA launch systems in the EELV program. However, both public law and policy require the U.S. Government to provide equal opportunity for all qualified providers. Commercial space transportation providers that have demonstrated their ability to safely and reliably launch payloads will be provided the opportunity to compete.

Question. There has been considerable discussion in the past year about the Air Force's plans for a block buy strategy for space launch. The high cost of launch, our knowledge about the industrial base, uneven agency coordination, and inadequate transparency into cost and efficiencies have been significant elements of the debate over this upcoming procurement.

If confirmed, how would you ensure that the Air Force works closely with the Administrator of the National Aeronautics and Space Administration (NASA) to ensure that DOD has sufficient knowledge of the heavy-lift program decisions of the administration to facilitate the ability of DOD's ability to negotiate EELV launch contract prices in a manner that maximizes investment?

Answer. If confirmed, I look forward to working with NASA and others across the U.S. Government to maximize the Department's investment. DOD and NASA collaborate on studies and conduct joint meetings to provide insight into each organization's acquisition strategy. If confirmed, I will continue to work with NASA to ensure full understanding of the bearing NASA program decisions may have on sustaining the launch industrial base.

Question. Do you think that the Air Force's current approach to coordination with NASA is sufficient or are changes needed?

Answer. If confirmed, I look forward to supporting the Secretary's efforts to build strong relationships with NASA. The Air Force works jointly with both NASA and the NRO on several key areas including the acquisition of space launch services and new launch service provider entrant criteria.

I plan to continue engaging with our space launch partners on matters regarding the stability of the industrial base, EELV launch requirements and competition for DOD launch services. I will continue to look for opportunities for improved cooperation and coordination while the organizations pursue their respective programs.

Question. In light of budgetary constraints, can more be done to leverage the expertise and resources of both agencies as well as other agencies that rely on our national security launch capability, such as the National Reconnaissance Office (NRO)?

Answer. If confirmed, I will evaluate opportunities to leverage expertise across agencies with space launch responsibilities while bearing in mind that there are many existing collaboration activities underway. As an example, the Air Force, NRO, and NASA jointly lead the Government Expendable Launch Vehicle Executive Board as a forum for interagency communication of acquisition, certification, and programmatic launch issues.

Question. The discussion over the last year highlighted a need for a longer term, national strategy for launch—one that optimizes the industrial base, enables competition, advances technology, and can respond to a need to change the current acquisition paradigm for space.

What role do you believe the Air Force should play in developing a national launch strategy?

Answer. If confirmed, I will work with the Secretary of the Air Force and across the Department to evaluate the need to develop a comprehensive national launch strategy. As the DOD's Executive Agent for Space, the Air Force has the ability to reach across the Department to address DOD space equities and collaborate with external stakeholders. If confirmed and requested by the Secretary, I will work with our partners to understand the challenges and assess where key strategic choices are required.

Question. How can this strategy leverage the government's buying power to assure mission success while minimizing costs?

Answer. My understanding is that the objective of such a national strategy is to establish an environment to ensure a stable, flexible, responsive, and appropriately sized U.S. domestic propulsion industrial base capable of fulfilling national requirements and commercial market demands. I look forward to helping develop and decide on a common strategy. A key element to the strategy should be better leveraging the government's buying to gain our desired outcomes.

Question. How can we incentivize contractors to implement efficiencies without adversely affecting mission success?

Answer. If confirmed, I will work with the Secretary of the Air Force to ensure mission assurance is maintained as an important contributing factor to launch mission success. I have learned that the Air Force has taken steps to effectively incentivize ULA to gain efficiencies in launch capability without impacting mission assurance through its two-pronged approach—a mission success performance incentive to ensure focus on mission requirements, and the cost control incentive to find efficiencies. Careful consideration will be taken to ensure these incentive features of the contract structure are appropriately balanced to influence behavior without adversely affecting mission success.

Question. In the near term, what are your plans, if any, to foster competition in the launch vehicle industry to ensure DOD pays competitive prices?

Answer. If confirmed, I will work with the Department on the implementation of its new acquisition strategy, approved in November 2012, which authorizes competition for up to 14 missions for New Entrants.

Question. What insight do you plan to have into the progress of new commercial launch providers in obtaining a government certification?

Answer. If confirmed, I plan on seeing the rapid application of the Air Force's New Entrant Certification Guide (NECG), to guide the evaluation and certification processes for prospective New Entrants. Per the NECG, the Air Force formally reviews and approves all certification approaches proposed by New Entrants, thereby providing me direct insight into any government certifications.

MILITARY SPACE ACQUISITION POLICY

Question. A major issue in space acquisition is the decoupling of acquisition schedules between ground terminals and equipment and the actual satellite. The result is billions of dollars being spent to launch next generation communications, early warning, and GPS systems without the capability on the ground to utilize the full suite of capabilities on the satellites.

If confirmed, what will you do to ensure that ground and satellite capabilities are synchronized as contemplated in section 911 of the National Defense Authorization Act for Fiscal Year 2013?

Answer. It is my understanding that the deployment of ground and satellite capabilities is not always optimally synchronized.

If confirmed, I plan to address programs from an enterprise perspective and improve synchronization of space, control, and user segments. I also plan to ensure appropriate resources are allocated and to balance the need for early development with the appropriate timeline for fielding.

Question. For several years, the Air Force has proposed a multi-year procurement approach for its largest satellite programs. This would have an advantage of stabilizing cost and enabling efficiencies, but there is also a risk of locking in a strategy that may not be suited for the decades ahead and of disabling innovation. At the same time, DOD is weighing the pros and cons of relying more on the commercial sector to carry military space payloads on board commercial satellites as well as alternate architectures that emphasize the use of smaller, simpler satellites that rely on both space and ground networks to carry out the same missions that large, complex, and expensive satellites do today.

What are your views on multi-year procurement, incremental funding, and block-buy approaches, and to what extent do you envision the Air Force using these approaches for acquiring space systems?

Answer. The Block buys enable “process efficiencies” otherwise lost as a result of production breaks. Lowering production costs by building and testing two or more satellites in succession by using nontraditional space procurement funding approaches uses production facilities more efficiently and helps the Department avoid untenable funding spikes, which inject instability into programs and hurt the Space Industrial Base suppliers.

These approaches may not be appropriate for every space system procurement activity. If confirmed, I will support using innovative space system procurement approaches, including multi-year procurement, to ensure we are able to fund and produce these vital systems while still maintaining our ability to fund other core Air Force capabilities.

Question. If confirmed, what would be your plan to maintain superiority in space, to push the state of technology, and to sustain innovation in light of an approach that locks the incumbent contractor into a long-term deal with just incremental advances in capability?

Answer. Maintaining superiority in space requires continued investment in science and technology and innovative acquisition approaches that allow for incremental improvements to operational satellite programs. If confirmed, innovation will continue to be an Air Force priority, and I will continue supporting a strong government-contractor environment that balances affordability with the opportunity for incremental system improvement.

Question. Do you foresee opportunities to develop national security space satellites that are smaller, operationally responsive, and cost less to launch?

Answer. The most important factors in any architecture development are how they accomplish the mission and how they meet requirements. Any opportunities for national security satellites that meet mission needs, cost less to operate, are more responsive, and potentially smaller should be considered seriously.

Question. If so, what role would you play, if confirmed, in changing the acquisition culture from one that coalesces around large, complex, exquisite programs to one that coalesces around smaller, simpler programs that emphasize resilience over reliability?

Answer. If confirmed, I will work closely with our Air Force acquisition leadership and with stakeholders in the Defense Department to foster an acquisition culture that supports delivering capabilities the warfighter needs. If the needs are best met by smaller, simpler programs, we will provide the guidance and resources to deliver space capabilities in that manner.

Question. To what extent would you eliminate barriers and restrictions to enable DOD to more fully use hosted payloads and ride-share arrangements?

Answer. If confirmed, I will ensure we look at the totality of mission needs. Hosted payloads and ride-share arrangements may provide responsive and cost-effective space capabilities, but rigorous analysis and cost estimating are required. If hosted payloads and/or ride share agreements are selected as part of architecture to meet mission requirements, I will deal with barriers and restrictions to the best of my ability to enable these nontraditional approaches.

Question. For fiscal year 2013, Congress rejected the termination of the Operationally Responsive Space Program and instead moved the office and function under the Space and Missile Systems Center (SMC), as found in section 914 of the National Defense Authorization Act for Fiscal Year 2013.

If confirmed, will you support the implementation of section 914 and support the timely and successful integration of the Operationally Responsive Space Program into SMC?

Answer. Yes, the Air Force transitioned the ORS Office to AFSPC/SMC. A more detailed, long-term plan is pending a fiscal year 2013 Appropriations Bill.

Question. If confirmed, will you fully, and in a timely manner, answer congressional inquiries on the status of the Operationally Responsive Space Office?

Answer. Yes, I will make it a priority to respond to all congressional inquiries.

LONG-RANGE BOMBERS

Question. The B-52s will begin to be retired in the 2030 timeframe but are in urgent need of recapitalization of their data backbone for advanced targeting and communications.

Do you support the B-52 Combat Network Communications Technology (CONNECT) program and will you work with Global Strike Command to ensure the full suite of capabilities of the CONNECT system are implemented in the aircraft?

Answer. I support the capabilities that the CONECT program brings in order to enable more effective B-52 employment in the complex, network-centric battle space of the future. Although the Air Force restructured the CONECT program in the fiscal year 2013 PB, the capability remains a top Air Force Global Strike Command priority. If confirmed, I will work with Global Strike Command to balance warfighter needs and resources as we address our future budgets.

DUTIES AND RESPONSIBILITIES AS CHIEF MANAGEMENT OFFICER

Question. Section 904 of the National Defense Authorization Act for Fiscal Year 2008 designates the Under Secretary of the Air Force as the Air Force's Chief Management Officer (CMO). Section 908 of the National Defense Authorization Act for Fiscal Year 2009 requires the CMO of each Military Department to carry out a comprehensive business transformation initiative, with the support of a new Business Transformation Office.

What is your understanding of the duties and responsibilities of the Under Secretary as the CMO of the Department of the Air Force?

Answer. It is my understanding that the responsibilities of the Chief Management Officer, consistent with section 904 of the National Defense Authorization Act for Fiscal Year 2008, include the following: ensuring the Air Force's capability to carry out DOD's strategic plan in support of national security objectives; ensuring the core business missions of the Department of the Air Force are optimally aligned to support the Department's warfighting mission; establishing performance goals and measures for improving and evaluating overall economy, efficiency, and effectiveness and monitoring and measuring this progress; and working with DOD's Chief Management Officer to develop and maintain a strategic plan for business reform. Under section 908 of the National Defense Authorization Act for Fiscal Year 2009, the Chief Management Officer is also responsible for carrying out an initiative for business transformation for the Air Force. Under section 2222 of the National Defense Authorization Act for Fiscal Year 2010, I would be responsible for pre-certification for Air Force business systems programs prior to submission for Department of Defense Deputy Chief Management Officer review and certification. If confirmed, I will ensure the core function and missions of the Air Force are optimally aligned to support the joint warfighting mission. I intend to fulfill the requirements of the law by establishing performance goals and measures for improving and evaluating the overall affordability, efficiency, and effectiveness of Air Force programs.

Question. What background and expertise do you possess that you believe qualify you to perform these duties and responsibilities?

Answer. I have held equivalent duties and responsibilities as the Deputy Under Secretary of the Navy and Deputy Chief Management Officer, Office of the Under Secretary of the Navy. While in this capacity, I have been engaged in the implementation of the CMO duties directed by section 904 of NDAA 2008, section 905 of NDAA 2009, and section 2222 of NDAA 2010 and intimately familiar with the related DOD guidance issued by the DOD Deputy Chief Management Officer. My experience in Navy Enterprise Resource Planning implementation and assuring compliance with financial improvement and audit readiness requirements will be of particular benefit in my new duties.

Question. Do you believe that the CMO and the Business Transformation Office have the resources and authority needed to carry out the business transformation of the Department of the Air Force?

Answer. Yes I do, putting aside the uncertainty of sequestration and further fiscal challenges imposed on the Department and Air Force. I have favorable first impressions. If, upon further analysis, I become convinced more resources are required to affect transformation, I would work closely with the Secretary to ensure the Air Force is applying sufficient effort to this important issue.

Question. What role do you believe the CMO and the Business Transformation Office should play in the planning, development, and implementation of specific business systems by the Military Departments?

Answer. Consistent with the laws that established them, the CMO and the Business Transformation Office should work with the Secretary and Chief to set transformation priorities aligned to DOD and Air Force needs. They should work to ensure business systems solutions make economic sense and are feasible; build on or replace existing systems; and enforce sound execution through application of the DOD certification process, pursuant to the NDAA for Fiscal Year 2005 and amplified in the NDAA for Fiscal Year 2012, that requires all business systems over \$1 million in cost across the future years program be certified as meeting a mission need and supported by a business case.

Question. What changes, if any, would you recommend to the statutory provisions establishing the position of CMO and creating the Business Transformation Office?

Answer. I have no recommendations to make at this time. If confirmed, I will continue to assess the requirement for additional or modified authorities and look forward to working with this committee to ensure that the objectives of the CMO, as intended by Congress, are met.

Question. Section 2222 of title 10, U.S.C., requires that the Secretary of Defense develop a comprehensive business enterprise architecture and transition plan to guide the development of its business systems and processes. The Department has chosen to implement the requirement for an enterprise architecture and transition plan through a "federated" approach in which the Business Transformation Agency has developed the top level architecture while leaving it to the military departments to fill in most of the detail. The Air Force's business systems, like those of the other military departments, remain incapable of providing timely, reliable financial data to support management decisions. In particular, the Government Accountability Office has reported that the Air Force has not yet followed DOD's lead in establishing new governance structures to address business transformation; has not yet developed comprehensive enterprise architecture and transition plan that plug into DOD's federated architecture in a manner that meets statutory requirements; and instead continues to rely upon old, stove-piped structures to implement piecemeal reforms.

If confirmed, what steps, if any, would you take to ensure that the Air Force develops the business systems and processes it needs to appropriately manage funds in the best interest of the taxpayer and the national defense?

Answer. If confirmed, I will work with the Air Force comptroller to ensure that Air Force funding execution is more visible in real time to senior leaders. While I have not yet been briefed in detail on the status and challenges for Air Force systems, I would work to ensure that our systems and processes achieve the outcome of enhancing our ability to manage funds; ensure a detailed schedule is put in place and managed to achieve that outcome; and ensure audits are conducted to validate performance.

Question. Do you believe that a comprehensive, integrated, enterprise-wide architecture and transition plan is essential to the successful transformation of the Air Force's business systems?

Answer. Yes, I do.

Question. What steps would you take, if confirmed, to ensure that the Air Force's enterprise architecture and transition plan meet the requirements of section 2222?

Answer. If confirmed, I will engage the business transformation staff in a detailed review of how the Air Force is developing and using its business enterprise architecture to manage transformation and stay aligned with the DOD Business Enterprise Architecture and related strategic transformation priorities. I would make it a priority to meet very early on with the Deputy CMO and Business Transformation staff to validate the current state of the Air Force business enterprise architecture and its alignment to the DOD architecture. I would focus our review on how the architecture is being applied within the Air Force governance process, and would direct and implement any needed improvements.

Question. What are your views on the importance and role of timely and accurate financial and business information in managing operations and holding managers accountable?

Answer. I think timely financial information is critical in managing the operations of large organizations. I understand the frustration of many at the difficulty in achieving audits of DOD financial statements and appreciate congressional efforts, through section 1003 of the National Defense Authorization Act for Fiscal Year 2012, reinforcing the Secretary of Defense's goal of accelerating audit readiness. If confirmed, I will be active in supporting DOD and Secretary of the Air Force's continued focus on financial issues, achieving the end of calendar year 2014 deadline for Statement of Budgetary Resources, and realizing full audit readiness by 2017.

Question. How would you address a situation in which you found that reliable, useful, and timely financial and business information was not routinely available for these purposes?

Answer. If confirmed, I would use that situation as an opportunity to improve the process of providing such financial and business information. I would make this area a priority, especially if it aligns to the major strategic mission priorities of the organization, and assign actions with accountability for corrections. Finally, I would provide active follow-up to ensure the needed results were achieved.

Question. What role do you envision playing, if confirmed, in managing or providing oversight over the improvement of the financial and business information available to Air Force managers?

Answer. If confirmed, I will focus on establishing the priorities for business performance improvements on behalf of the Secretary of the Air Force and report on progress toward achieving these goals. As the CMO, I would expect to be an active and key member of the Air Force governance process, enforcing Department priorities in decisions regarding programs, organizations and processes across the functional staff and Air Force Major Commands.

AUDITABLE FINANCIAL STATEMENTS

Question. Section 1003 of the National Defense Authorization Act for Fiscal Year 2010 requires the Chief Management Officer of the Department of Defense to establish a plan to ensure that DOD's financial statements are validated as ready for audit by not later than September 30, 2017. The Secretary of Defense has established the additional goal of ensuring that the statement of DOD's budgetary resources is validated as ready for audit by not later than September 30, 2014.

In your opinion, is the Department of the Air Force on track to achieve these objectives, particularly with regard to data quality, internal controls and business process re-engineering?

Answer. The Air Force plan has been reviewed and integrated with the OSD FIAR plan that integrates the entire DOD business environment but, admittedly, it is still not without risk. However, they are seeing successes to date that affirm they are on the right path. The Air Force continues to be cautiously optimistic. It has received seven favorable opinions with two more assertions currently under examination. The Statement of Budgetary Resources has received clean opinions on the Budget Authority covering \$161 billion while the Existence and Completeness of Mission Critical Assets has received favorable opinions on a total of \$97.4 billion. The Air Force is the first Service given a clean opinion on its Fund Balance with Treasury reconciliation process. This gives the Air Force the ability to validate its transactions between the general accounting system and Treasury. The Air Force will continue to assert assessable units until the entire SBR is audit ready. If confirmed, I will make it a priority in my capacity as Chief Management Officer to more closely review and monitor the Air Force strategy.

Question. If not, what impediments may hinder the Air Force's ability to achieve this goal and how would you address them?

Answer. Currently, a key impediment to the Air Force's ability to achieve this goal is the lack of contract support to collect, document, test, and audit the existing business processes. At this time, the fiscal year 2012 through fiscal year 2017 Financial Improvement Audit Readiness (FIAR) support contract is under protest. The Air Force is carefully working to resolve the issue, but without contract support, the progress level is greatly reduced. This risk has the potential to increase due to the current fiscal environment.

A second impediment is the lack of an integrated transaction-based accounting system. The Air Force's reliance on legacy systems requires additional compensating process controls. The Air Force will analyze legacy systems and implement appropriate cost-effective changes while they continue to pursue the Defense Enterprise Accounting and Management System and the Air Force Integrated Personnel and Pay System. Further, the Air Force continues to collaborate within the Department to share lessons learned, establish performance measures and consolidate efforts where applicable.

Question. In your view, are the steps that the Air Force needs to take to meet the 2014 goal consistent with the steps that DOD needs to take to achieve full auditability by 2017?

Answer. Yes, the Air Force approach to audit readiness is consistent with DOD. As an active member of the FIAR Governance, the Air Force has the opportunity to collaborate on establishing the goals, objectives and guidance to produce auditable financial statements for the Department. The Air Force adheres to the same guidance published by OUSD(C) which controls the standards for sampling, threshold, and scope to be used during audit readiness efforts. The DOD Comptroller reviews all assertion packages prior to submission for audit by an Independent Public Accounting Firm or the DOD Inspector General. Upon favorable examination, the Air Force will sustain those auditable processes to support the overall DOD assertion for the principal financial statements.

Question. What steps will you take, if confirmed, to ensure that the Air Force moves to achieve these objectives without an unaffordable or unsustainable level of one-time fixes and manual work-arounds?

Answer. The Air Force has established a governance process to oversee its audit readiness objectives, which is aligned to its Investment Review process, to ensure Senior Leadership oversight across the Air Force enterprise. This governance is

aligned to OSD governance to ensure Department-wide integration of efforts to achieve audit objectives and avoid those stove-piped, unaffordable, and unsustainable fixes. A key element of this governance will be to document and standardize the business processes across the Air Force to ensure they are traceable and auditable. In order to do this, the Air Force is implementing a standard set of tools to validate, document, re-use, and sustain the results from its audit readiness efforts, while also ensuring auditability of its Information Technology systems.

Utilizing these standards and tools will allow Senior Leader oversight on the corrective action plans being implemented across the Air Force in collaboration with the Army, Navy, and Service providers throughout the Federal Government. This holistic, enterprise-wide approach will allow the Air Force to determine impacts of business process changes, ensure alignment with the DOD Business Enterprise Architecture, and inform its IT investment decisions. Finally, the Air Force strategy will provide a mechanism to encourage culture change, which is necessary for future continuous process improvement, the results of which will also be documented and auditable.

If confirmed, I will continue to press forward on auditability goals, but with an eye towards sustainability so as not to waste valuable resources in this tight fiscal environment.

ACQUISITION ISSUES

Question. What are your views regarding the need to reform the process by which the Department of the Air Force acquires major weapons systems?

Answer. Continuing to improve the acquisition process for major weapons systems is a critical issue for the Air Force, as well as for DOD. My initial impression is that the Air Force has taken focused actions to reform its acquisition processes and is continuing to work to make further improvements in response to the Weapons System Acquisition Reform Act of 2009. In addition, I understand that the Air Force is working on Mr. Kendall's "Better Buying Power 2.0" initiatives in the pursuit of greater efficiency and productivity. If confirmed, I would expect to learn more about the challenges facing Air Force acquisition and to help the leadership team take further steps to deliver better value to the taxpayer and warfighter by improving the way the Air Force does business.

Question. What steps would you recommend to improve that process?

Answer. If confirmed, I would continue the acquisition improvements begun by the Secretary of the Air Force and the Chief of Staff and work with OSD on their acquisition improvement initiatives. Specifically, I would recommend the Air Force work with OSD on program affordability, cost control throughout the program lifecycle, and improving the acquisition workforce across the Air Force.

Question. If confirmed, what role do you expect to play in the major defense acquisition programs of the Department of the Air Force?

Answer. If confirmed, I will assist the Secretary of the Air Force in his goal of recapturing acquisition excellence. I understand his initiatives include providing full spectrum acquisition capabilities to the Air Force and the Department of Defense, and ingraining a culture of process improvement within acquisition. I would look forward to helping the Secretary to achieve his acquisition goals in whatever capacity he believes I am best suited to serve.

Question. Roughly half of the Department of Defense's largest acquisition programs have exceeded the so-called "Nunn-McCurdy" cost growth standards established in section 2433 of title 10, U.S.C. One such program is the Air Force's Joint Strike Fighter program, for which total life-cycle cost has now been estimated to exceed \$1 trillion.

If confirmed, what steps, if any, would you take to address the out-of-control cost growth on the Department of the Air Force's major defense acquisition programs?

Answer. I am in support of the principles that motivated the Weapons Acquisition Reform Act of 2009. I think that law lays out both the drivers of program challenges and the need to take very seriously any critical breaches of Nunn-McCurdy thresholds. As such and if confirmed, my analysis of the Air Force's acquisition programs would focus on the assumptions used in establishing program baselines. Such baselines must be based on realistic schedule and technical assumptions and accurate cost estimates. If confirmed, I will place an emphasis on realistic budgeting based on improved program cost estimates.

Question. What principles will guide your thinking on whether to recommend terminating a program that has experienced "critical" cost growth under Nunn-McCurdy?

Answer. The direction provided by Nunn-McCurdy and by the Weapon Systems Acquisition Reform Act of 2009 is essential in determining whether to terminate or

continue a program that has experienced a critical cost growth. I agree with the new law that, when such breaches occur, we must understand what the root cause of that breach is. I further agree with the presumption for termination that must guide one's analysis and also the requirement that, if a program is restructured, it should be required to receive new milestone approval before proceeding. While there are programs that will be essential to national security, I believe the Department must undertake hard analysis in looking at the alternatives in such a case.

Question. Many experts have acknowledged that the Department of Defense may have gone too far in reducing its acquisition workforce, resulting in undermining its ability to provide needed oversight in the acquisition process.

Do you agree with this assessment?

Answer. The answer in the past would have been yes, but my understanding is that the Air Force has alleviated a lot of these issues through its acquisition improvement initiatives since fiscal year 2008.

Question. If so, what steps do you believe the Department of the Air Force should take to address this problem?

Answer. If confirmed, I will look for ways to continue strengthening the Air Force's acquisition workforce.

Question. The Weapon Systems Acquisition Reform Act of 2009 (WSARA) was intended to ensure that future weapon systems move forward on a sound footing by addressing unrealistic program cost and schedule estimates, the absence of clearly defined and stable requirements, the inclusion of immature technologies that unnecessarily raise program costs and delay development and production, and the failure to solidify design and manufacturing processes at appropriate junctures in the development process.

Do you support the approach taken by WSARA?

Answer. I fully support the approach taken by WSARA and all efforts to improve acquisition in the Air Force.

Question. What additional steps, if any, do you believe the Department of the Air Force should take to address these problems?

Answer. I believe the Air Force should continue the effort to improve and maintain the acquisition workforce expertise. Specifically, I recommend enhanced acquisition training and increasing the availability of highly qualified course instructors in such functional areas as cost estimating that would strengthen the Air Force's program management business negotiation and oversight role.

Question. By some estimates, the Department of Defense now spends more money every year for the acquisition of services than it does for the acquisition of products, including major weapon systems. Yet, the Department places far less emphasis on staffing, training, and managing the acquisition of services than it does on the acquisition of products.

What steps, if any, do you believe the Air Force should take to improve the staffing, training, and management of its acquisition of services?

Answer. The Air Force must continue its focus on improving services acquisition. Leaders throughout the Air Force must be aware of their role in properly assigning personnel to the acquisition teams, resourcing the programs, ensuring personnel receive the necessary service acquisition training, and growing experts in acquiring services. Specifically, the Air Force Senior Manager for Services has partnered with Air Force Major Commands to identify senior level Services advocates to ensure consistency with approved processes and that DOD and Air Force policy is being followed.

Question. Do you think the Air Force should develop processes and systems to provide managers with access to information needed to conduct comprehensive spending analyses of services contracts on an ongoing basis?

Answer. Yes. It is critical that decision makers have access to key metrics throughout the life of contracted services. The Air Force is currently developing a senior leader dashboard to provide near real time visibility on program execution and ensure transparency of contracted services.

AIR FORCE POLICIES REGARDING DRUG AND ALCOHOL ABUSE

Question. What is your understanding of the Air Force's policy with respect to disciplinary action and administrative separation of Air Force personnel who have been determined to have used illegal drugs? Do you agree with this policy?

Answer. The Air Force does not have any policy per se on disciplinary actions with respect to particular criminal offenses. However, I know each drug case is investigated by law enforcement personnel and the report of investigation is provided to the airman's commander to review the evidence for appropriate disposition. Each case is evaluated on its merits, including the type of illegal drug used, the facts and

circumstances of the use or uses, the military record of the airman, and the strength of the evidence.

The Air Force has a policy on administrative separation for illegal drug use found in its administrative separation instruction. It states that drug abuse is incompatible with military service and airmen who abuse drugs one or more times are subject to administrative separation for misconduct. In fact, administrative separation processing is mandatory for drug abuse unless a waiver is granted. This seems to be an appropriately fair policy to me.

Question. What is your understanding of the Air Force's policy with respect to rehabilitation and retention on Active Duty of members of the Air Force who have been determined to have used illegal drugs or abused alcohol or prescription drugs? Do you agree with this policy?

Answer. Only in very limited circumstances does the Air Force retain airmen determined to have used illegal drugs, including illegal use of prescription drugs. In order to be retained, airmen have the burden of proving that retention is warranted by meeting a number of criteria, to include if such drug use was a departure from the airman's usual behavior and is not likely to recur, does not involve recurring incidents, and does not involve distribution. The Air Force does provide some limited protection for airmen who self-identify their drug use for the purpose of seeking treatment in that they may avoid criminal prosecution, but will still face administrative separation. This seems to be an appropriately fair policy to me.

Question. Do you believe that the Air Force has devoted sufficient resources for implementation of its rehabilitation policies and objectives since 2001? If not, in what ways have resources been insufficient?

Answer. Yes. The Air Force maintains a comprehensive and dynamic drug detection and response program that includes rehabilitation as a key element. There are trained alcohol and drug counselors and medical providers at each installation to provide evaluation and outpatient treatment services. For airmen needing more intensive inpatient treatment, medical teams arrange for these services through TRICARE with local community medical centers.

RELIGIOUS GUIDELINES

Question. The DOD Independent Review Related to Fort Hood observed that "DOD policy regarding religious accommodation lacks the clarity necessary to help commanders distinguish appropriate religious practices from those that might indicate a potential for violence or self-radicalization" and recommended that the policy be updated.

What is your understanding of current policies and programs of the Air Force regarding religious practices in the military?

Answer. The Air Force Chaplain Corps provides spiritual care and the opportunity for airmen, their families, and other authorized personnel to exercise their constitutional right to the free exercise of religion. Every effort is made to ensure this right is protected. Consistent with the Air Force Fort Hood Follow-On Review recommendations, the Air Force is reviewing and updating policies and guidance consolidation into a single series of instructions. This should ensure that leaders consult chaplains and legal counsel before making decisions, to better address prevention, identification, and response to religious-based disrespect, harassment, and discrimination in relevant training of airmen (e.g., equal opportunity training, free exercise of religion training, wingman training, and commander courses).

Question. What is your view of the need to clarify the policy regarding religious accommodation in the Air Force?

Answer. The Air Force continues to ensure clarity to commanders by providing clear policy on religious accommodation, which maintains consistency with DOD policy. Air Force policy directs that requests to commanders for religious accommodation are welcomed and dealt with fairly and consistently throughout the Air Force. While requests vary in need and accommodation, all requests should be approved unless approval would have a real (not hypothetical) adverse impact on military readiness, unit cohesion, standards or discipline and, therefore, disapproval of the accommodation request is in furtherance of a compelling military or government interest. Commanders are to consult with their installation chaplain and staff judge advocate on requests for religious accommodation. However, consistent with the Air Force Fort Hood Follow On Review recommendations, the Air Force is presently reviewing and updating policy and guidance to address prevention, identification and response to religious-based disrespect, harassment and discrimination.

Question. Do Air Force policies regarding religious practices in the military accommodate, where appropriate, religious practices that require adherents to wear items of religious apparel or adhere to certain grooming practices related to their faith?

Answer. The Air Force has a clear process to ensure every request for religious accommodation is welcomed and dealt with as fairly and consistently. Requests for accommodation should be approved, unless approval would have a real (not hypothetical) adverse impact on military readiness, unit cohesion, standards or discipline, and therefore, disapproval of the accommodation request is in furtherance of a compelling military and/or government interest. Concerning the wearing of religious garments or other articles, requests for accommodation involving items such as the outdoor wear of religious head coverings that are not concealed under military headgear and those impacting grooming and personal appearance (e.g., hair length and style, tattoos, and "body art") must be approved by the Deputy Chief of Staff for Manpower, Personnel, and Services.

Question. In your view, do these policies accommodate the free exercise of religion and other beliefs without impinging on those who have different beliefs, including no religious belief?

Answer. Yes, the policies are intended to protect both the free exercise of religion for all airmen and avoid the appearance of an official endorsement of any particular religion. Air Force policy presently communicates that all airmen have the freedom to choose to practice their particular religion or subscribe to no religious belief at all. If confirmed, I will closely monitor the implementation of this policy.

Question. In your view, do existing policies and practices regarding public prayers offered by military chaplains in a variety of formal and informal settings strike the proper balance between a chaplain's ability to pray in accordance with his or her religious beliefs and the rights of other servicemembers with different beliefs, including no religious beliefs?

Answer. From what I have been told so far, I believe that Air Force Chaplains are well trained to provide prayers offered in pluralistic settings. This requires sensitivity to their audience which includes individuals from various religious traditions as well as those who profess no religious belief at all. The guidance provided by Air Force leaders also makes clear that supervisors respect each chaplains' right to adhere to the tenets of his or her faith and thus not require chaplains to participate in religious activities, including public prayer, which are inconsistent with their faith tradition. If confirmed, I will look into this in greater detail.

Question. What is your assessment of measures taken at the Air Force Academy to ensure religious tolerance and respect?

Answer. Air Force leadership clearly takes very seriously the idea of religious tolerance and respect. The team effort to improve the religious atmosphere at the Academy continues to reduce cases of intolerance and inappropriate behavior. Since beginning their Cadet Religious Respect Training Program, 7,782 cadets have been trained to respect the beliefs or non-beliefs of others. In addition, the Dean of Faculty trained 910 staff members to ensure the academic environment is free of negative religious expressions. Further, the Athletic Department's Religious Respect Program trained 300 coaches and staff to ensure the athletic department adheres to the guidance. Finally, the Cadet Interfaith Council continues to positively impact relationships between various faith groups and cooperates in various service projects to improve the community. If confirmed, I will monitor this closely to ensure that the training put in place is yielding the desired outcomes.

AIR FORCE SCIENCE AND TECHNOLOGY

Question. If confirmed, what direction would you provide regarding the importance of innovative defense science and technology in meeting Air Force missions?

Answer. The innovative technology produced by the Air Force Science and Technology (S&T) Program balances high-risk with high-return science and knowledge. If confirmed, the direction I provide would focus on supporting the Air Force capabilities fundamental to deterring and defeating aggression, projecting power in anti-access and area denial environments, operation in space and cyberspace domains, and maintaining a safe, secure and effective strategic deterrent.

Question. Do you believe the current balance between short- and long-term research is appropriate to meet current and future Air Force needs?

Answer. From what I can tell at this point, yes. The success of the Air Force will depend on continued innovation and technical excellence. The Air Force S&T Program invests across a broad portfolio to attain a balance between near-term, quick-reaction capability support; mid-term technology development to modernize the force; and revolutionary technologies that address far-term warfighting needs.

Question. If confirmed, what role would you play in ensuring research priorities that will meet the needs of the Air Force over the next 10 years?

Answer. As outlined in the Defense Strategic guidance, the future strategic environment will require an agile and flexible military. Therefore, it is important that

the Air Force S&T Program continue to invest in a broad portfolio of research to anticipate future needs. If confirmed, in my role as the senior energy and sustainability official, I will also take special interest in the Air Force's continued investment in the development and demonstration of advanced technologies that address affordability and lifecycle costs of future systems.

Question. In the face of rising acquisition costs for programs such as the Joint Strike Fighter, and programs to support space operations, if confirmed, how would you plan to ensure the protection of funding for long-term science and technology investments?

Answer. I take the issue of rising acquisition costs very seriously. Protecting the funding for the Air Force S&T Program is very important as it is a key element in making mature technologies available for transition into development programs. The S&T Program allows the Air Force to sustain its heritage of technological superiority.

AIR FORCE LABORATORIES

Question. What role should Air Force laboratories play in supporting current operations and in developing new capabilities to support Air Force missions?

Answer. It is my view that the Air Force S&T program—including the labs—should continue to develop and transition innovative and relevant technologies; build and nurture a technically skilled, highly educated and adaptive workforce able to provide effective solutions for today's issues; and conduct innovative research to maintain our technological edge over potential adversaries.

Question. If confirmed, how will you ensure that Air Force laboratories have the highest quality workforce, laboratory infrastructure, resources, and management, so that they can continue to support deployed warfighters and develop next generation capabilities?

Answer. If confirmed, I will spend time educating myself on the details of the Air Force's current initiatives in this area. Ensuring the Air Force continues to have war-winning technology requires the proactive management of its current Science, Technology, Engineering, and Mathematics (STEM) workforce and a deliberate effort to grow the laboratory scientists and engineers of the future. Those researchers need state-of-the-art laboratory facilities to best support deployed warfighters with ready-to-use technologies and develop next generation capabilities. I will rely on and support the senior leadership of the acquisition community to assess and invest in infrastructure, including workforce, research facilities and funds necessary to support the future technology needs of the Air Force.

Question. Do you support the full utilization of authorities established by Congress under the Laboratory Personnel Demonstration program?

Answer. Retaining the current world-class, highly-skilled workforce is an important part of the Air Force's Bright Horizons STEM workforce strategic roadmap. I understand that the Lab Demo program has done much to ensure the Air Force Research Laboratory's ability to attract and retain personnel since its inception in 1997. This flexible system has helped to achieve the best workforce for the mission, adjust the workforce for change and improve overall quality. If confirmed, I will work with the laboratory leadership to monitor the Lab Demo program to ensure it remains effective for its primary purpose and propose changes to the program as they become required.

Question. Do you believe that the Air Force's laboratories and engineering centers should have a separate, dynamic personnel system, uniquely tailored to support laboratory directors' requirements to attract and retain the highest quality scientific and engineering talent?

Answer. If confirmed, I look forward to carefully examining the Air Force's experience with the Lab Demo program and working with laboratory director's to determine future needs and authorities for the program.

Question. How will you assess the quality of Air Force laboratory infrastructure and the adequacy of investments being made in new military construction and sustainment of that infrastructure?

Answer. I am aware that the 2005 Base Realignment and Closure (BRAC) effort successfully completed in September 2011 provided several new, state-of-the-art facilities within the Air Force Research Laboratory. The Laboratory's BRAC realignments successfully realized the Secretary of the Air Force's priorities for BRAC 2005, including the goals of realigning Air Force infrastructure with the future defense strategy, maximizing operational capability by eliminating excess physical capacity, and capitalizing on opportunities for joint activity. If confirmed, I will work closely with the leadership of the acquisition community to ensure that we remain

vigilant and upgrade our S&T infrastructure in a timely manner so that major research and programs are not put at risk due to aging facilities.

Question. Are you concerned about the current or future supply of experts in defense critical disciplines, particularly personnel with appropriate security clearances, to hold positions in defense laboratories?

Answer. Yes, I am always concerned about maintaining a solid representation of Science, Technology, Engineering and Math (STEM) professionals in the critical defense disciplines our laboratories and acquisition enterprise require. As I understand it, in the last 5 years, the Air Force has been able to meet its needs by accessing more than 3,100 engineers, physical and analytical scientists. Congressionally-authorized personnel and hiring authorities have helped improve the Air Force's compensation and hiring abilities.

AIR FORCE TEST AND EVALUATION CAPABILITIES

Question. Over the past few years, the Air Force has proposed taking measures to significantly reduce its test and evaluation capabilities—both infrastructure and workforce. These efforts have, in general, been overturned by the Department of Defense and Congress.

Do you believe that the Air Force has test and evaluation capabilities that are excess to Department of Defense needs?

Answer. The Air Force strives to ensure it uses and organizes its test and evaluation (T&E) capabilities as efficiently as possible to meet Air Force and DOD needs within a fiscally constrained budget. If confirmed, I will work to continue balancing Air Force T&E capabilities, Air Force and DOD needs, the available budget, and our National interest to propose feasible and prudent adjustments.

Question. What steps will you take to ensure that the Air Force has the appropriate testing infrastructure and qualified test workforce?

Answer. If confirmed, I will work cooperatively with the SecAF, DOD, and industry to help shape the future of our Nation's infrastructure and workforce. I will look at the T&E infrastructure and workforce requirements to identify potential efficiencies; support workforce shaping, training, and retention programs; and focus the test infrastructure to support the current and future needs of the DOD acquisition community and broader national interests.

AIR FORCE INFORMATION TECHNOLOGY PROGRAMS

Question. What major improvements would you like to see made in the Air Force's development and deployment of major information technology systems?

Answer. If confirmed, I will further explore how information technology systems are delivered to our airmen. Specifically, I will review the Air Force's current information technology and acquisition governance structures and processes and look for opportunities to further strengthen oversight and instill rigor and discipline in the planning, development, and deployment of major information technology systems. This is particularly important when the business case supports pursuing an enterprise solution.

Question. How will you encourage process and cultural change in organizations so that they maximize the benefits that new enterprise information technology systems can offer in terms of cost savings and efficiency?

Answer. If confirmed, I will delve deeper into this area in order to fully understand and appreciate previous and ongoing Air Force efficiency efforts and how technology was used to drive down costs. I will also ensure that there is a solid and rigorous governance structure in place to ensure the necessary business process re-engineering takes place to realize the benefit of enterprise systems, when the business case makes clear the value. Savings are not realized when individual components are able to bend the technology to fit their processes, rather than change processes to meet the enterprise solution.

Question. What is the relationship between Air Force efforts to implement enterprise information technology programs and supporting computing services and infrastructure to support Air Force missions, to the efforts being undertaken by the Defense Information Systems Agency and the Assistant Secretary of Defense for Networks and Information Integration?

Answer. All of the Military Departments, led by the Joint Staff and the DOD Chief Information Office, and in close partnership with the Defense Information Systems Agency, are in close collaboration and planning for the implementation of the Joint Information Environment. This partnership allows the Air Force to synchronize ongoing consolidation and enterprise service efforts and transition to the Department's enterprise solutions. If confirmed, I will continue to forge this relationship and find opportunities to leverage Air Force investments to better posture

the Department to employ the full range of operational capability and capacity to the Joint warfighter. I will also look for opportunities from Department investments that the Air Force can leverage to meet its mission needs.

INVESTMENT IN INFRASTRUCTURE

Question. In recent years, various witnesses appearing before the Committee have testified that the Military Services under-invest in their facilities compared to private industry standards. Decades of under-investment in our installations have led to increasing backlogs of facility maintenance needs, created substandard living and working conditions, and made it harder to take advantage of new technologies that could increase productivity.

What is your assessment of Air Force infrastructure investment?

Answer. The Air Force, like all Services, is having to make difficult investment trade-offs as budgets decrease. If confirmed, I will review the current and future requirements for infrastructure, to ensure that the Air Force can support its mission requirements and the Secretary of the Air Force's priorities.

Question. If confirmed, what actions, if any, would you propose to increase resources to reduce the backlog and to improve Air Force facilities?

Answer. If a thorough review of infrastructure investment indicates the Air Force is taking too much risk, then, if confirmed, I will work closely with Air Force leadership to make appropriate fiscal adjustments to reduce the backlog and improve facilities.

SEXUAL ASSAULT PREVENTION AND RESPONSE

Question. The Air Force is investigating numerous allegations of sexual misconduct by Military Training Instructors at Basic Military Training at Joint Base San Antonio-Lackland. Several instructors have already been convicted of various offenses and others are pending trial by court-martial. The Air Force addressed similar allegations of sexual misconduct at the Air Force Academy nearly a decade ago. Allegations of sexual misconduct are not unique to the Air Force and numerous cases of sexual misconduct involving servicemembers in theater have been reported over the last several years. Many victims and their advocates contend that they were victimized twice: first by attackers in their own ranks and then by unresponsive or inadequate military treatment. Secretary Panetta has recently implemented several new initiatives aimed at curbing sexual assaults in the military and improving victim support.

What is your assessment of the Air Force's implementation of the Secretary's new policies, including his decision to withhold initial disposition authority over certain offenses to the general court-martial convening authority?

Answer. I support the Secretary of Defense's leadership and his decision. Withholding the initial disposition authority at the Special Court Martial Convening authority level reassures airmen that we are taking the issue of sexual assault very seriously.

Question. What is your understanding of the resources and programs the Air Force has in place to provide victims of sexual assaults the medical, psychological, and legal help that they need?

Answer. From initial briefings, it appears to me that the Air Force Military Treatment Facilities (MTFs) have the appropriate resources to offer support to sexual assault victims. Additionally, Air Force forward deployed mental health assets are available to provide necessary consultation, assessment, intervention, and referral for mental health issues, to include support in cases of sexual assault.

The Air Force has also forward deployed judge advocates to provide complete legal support to the Air Force and Joint missions. Legal services available to victims at their home station are equally fully available to victims in deployed locations, to include legal assistance, defense services, victim witness assistance, or other legal needs.

This is an issue I take very seriously, and if confirmed I would make it priority to ensure that adequate resources and programs are available to victims of sexual assault.

Question. What is your view of the steps the Air Force has taken to prevent additional sexual assaults? In your view, are these steps adequate?

Answer. I believe Air Force leadership has made a clear priority of the prevention of sexual assaults and are taking the necessary steps to do so. The Secretary, Chief of Staff and the Chief Master Sergeant of the Air Force recently issued a tri-signature memorandum addressed to every airman that highlighted zero tolerance of sexual assault, the importance of bystander intervention and responsibility for victim care. The Chief of Staff also recently convened a wing commander's call to discuss

this topic and directed commanders to conduct a health and welfare inspection of workplaces to ensure a culture of dignity, trust and respect is fostered. If confirmed, it would be a priority of mine to support these steps.

Question. What is your view of the adequacy of the training and resources the Air Force has in place to investigate and respond to allegations of sexual assault?

Answer. I believe the Air Force has taken significant and effective steps to increase training and provide resources for investigating and responding to allegations of sexual assault. Air Force installation level Sexual Assault Response and Prevention Coordinators (SARCs) and Victim Advocates (VAs) receive extensive initial training before assuming their positions. Additionally, both SARCs and VAs receive annual refresher training.

All Air Force Office of Special Investigations (AFOSI) special agents receive extensive training in the handling of violent crime investigations, including specific handling of sexual assault investigations. In 2009, the Air Force funded 24 additional civilian special agents to focus on sexual offenses at locations with the highest incidence of sexual assault. AFOSI also recently developed a 2-week advanced training course, dedicated exclusively to sexual assault investigations.

The Judge Advocate General is fully committed to aggressively addressing allegations of sexual assault and ensuring that commanders, victims, and accused airmen are appropriately advised on the legal issues. The Air Force is committed to training prosecutors and defense counsel to the highest standards. Base staff judge advocates work closely with the AFOSI special agents to ensure comprehensive investigations. Through the Senior Trial Counsel (STC) program, 16 highly trained and experienced trial counsel assist base legal offices in all aspects of evaluating and preparing sexual assault cases and are detailed to represent the United States as the prosecutor in these cases. Seven of these STCs are dedicated to specializing in prosecution of sexual assault cases. Senior Defense Counsels provide assistance to local defense counsel and representation of accused airmen at trial. The Judge Advocate General believes that fully training and equipping both the prosecution and defense in these cases offers the best hope of optimal fact finding and professionalism in adjudicating sexual assault cases.

Question. Do you consider the Air Force's current sexual assault policies and procedures, particularly those on confidential reporting, to be effective?

Answer. Current Air Force policies and procedures, particularly those on restricted reporting, are effective, available both at home and in deployed locations, and do more than allow victims confidential access to medical care. When coupled with the new victim to victim advocate privilege, the policies address many of the concerns victims have about coming forward and help protect the victims' confidentiality. The policies preserve the possibility of future prosecution by allowing victims to anonymously receive Sexual Assault Forensic Examinations (SAFEs), which are held for 5 years. Victims may convert their confidential restricted report at any time and participate in the military justice process. Restricted reporting allows for the preservation of evidence that would otherwise be unavailable and the Air Force is able to offer victims care and treatment that victims may have not accessed without this confidential option.

Question. What is your view of the adequacy of resources in the Air Force to investigate allegations of sexual misconduct and to hold perpetrators accountable for their actions?

Answer. I believe we are well positioned to execute this responsibility. The JAG Corps and AFOSI have developed a robust special victims capability that focuses specifically on teaming to jointly investigate and prosecute sexual assault offenses. For the 24 civilian AFOSI agents and 7 senior trial counsels working these cases, this is their primary mission. The Air Force developed training that JAGs will be attending jointly with AFOSI in fiscal year 2013. These are the Sex Crimes Investigation Training Program at the Federal Law Enforcement Training Center and the Advanced Sexual Assault Litigation Course at the Air Force JAG School. AFOSI and JAGs will attend both courses, focusing respectively on the investigation and prosecution stages.

Question. What problems, if any, are you aware of in the manner in which the confidential reporting procedures have been put into effect?

Answer. Sexual assault victims who seek medical care or SAFEs in some States (i.e., California) cannot make a restricted report because State laws mandate reporting to law enforcement by healthcare providers. This limitation creates a "have and have not" reporting situation amongst military victims. However, the Air Force provides the same support and care for the victim whether they filed a restricted or unrestricted report.

Question. What is your view of the appropriate role for senior military and civilian leaders in the Secretariat and the Air staff in overseeing the effectiveness of implementation of new policies relating to sexual assault?

Answer. Senior military and civilian leaders at all levels, beginning at the Secretariat and the Air Staff, must focus on promoting an environment that prevents sexual assault. Eliminating this horrible crime is absolutely critical. The Secretary of the Air Force directed a Sexual Assault Prevention and Response Executive Steering Group (ESG) comprised of all the senior functional stakeholders to continually assess the program and provide advice for improvements in policy and procedures. If confirmed, I will work with the Secretary and these leaders to maintain a very clear focus on this issue.

Question. Do you believe that sexual assault continues to be an underreported crime within the Department for the Air Force?

Answer. Sexual assault is the most underreported violent crime in both the military and in American society and so I believe that it continues to be an underreported crime within the Air Force. The Air Force survey commissioned by Gallup on sexual assault also confirmed this view. The Air Force is focused on ways to increase reporting, from enhanced training throughout an airman's career, to unrestricted and restricted reporting options, to a wide range of medical, legal, and functional military services available to airmen who report being a victim of sexual assault.

Question. If so, what are the barriers that discourage or prevent victims from coming forward?

Answer. Shame, fear, stigma, and concern for potential re-victimization continue to be the primary reasons victims do not come forward. To remove these barriers, victims must have confidence in the system and in their leadership to do the right thing. Air Force senior leaders, commanders and senior enlisted are personally involved and their leadership is instrumental to removing these barriers and ensuring victims receive the care and support they deserve. This effort includes the opportunity to request expedited transfers for those filing unrestricted reports, legal assistance for victims, the support of a victim advocate and specially trained investigators who are not a part of the chain of command.

Question. If confirmed, what additional steps would you take to remove barriers to reporting sexual assaults?

Answer. First, continued focus on eliminating sexual assaults. Prevention efforts include training and establishing command climates where sexual assaults are not tolerated. Thorough and timely investigation of cases independent of the chain of command provides reassurance to victims. Another important factor is holding perpetrators accountable. Finally, victims who file unrestricted reports are afforded the opportunity to request expedited transfers. This program provides the victim with safety and security which helps remove barriers to reporting.

In order to aid in lessening these barriers, we must continue efforts to remove any perceived negative impact from coming forward after an assault. Allowing members to seek help and open communication with them is essential for leading the way in changing perceptions. Members need to know they will be supported regardless, and that service leadership is resolved to care for airmen.

Question. In response to the Annual Report on Sexual Harassment and Violence at the Military Service Academies for Academic Program Year 2011–2012, the Secretary of Defense wrote to the Service Secretaries and the Under Secretary of Defense for Personnel and Readiness stating: "Despite our considerable and ongoing efforts, this year's Annual Report on Sexual Harassment and Violence at the Military Service Academies demonstrates that we have a persistent problem. I am concerned that we have not achieved greater progress in preventing sexual assault and sexual harassment among academy cadets and midshipmen. These crimes and abhorrent behavior are incompatible with the core values we require of our Armed Forces' future officers. A strong and immediate response is needed."

What has the Air Force done to respond to the Secretary of Defense's requirement for a strong and immediate response?

Answer. The Secretary of the Air Force and the Chief of Staff have made this a priority and have stated that the Air Force succeeds because of the professionalism and discipline of its airmen. Sexual assault undermines that professionalism. Each cadet now receives over 12 hours of SAPR education training over the course of four years. Innovative training, to include scenario based programs with subject matter experts, is now a part of the USAFA SAPR curriculum. Additionally, the USAFA is in the process of instituting new initiatives. In April 2013, cadets will be leading the way in developing and running the USAFA's sexual assault awareness month (SAAM) activities and in the fall of 2013, the USAFA plans to institute Cadet Bystander Intervention Training (BIT).

Additionally, in January, an integrated process team, to include members of the USAFA staff, met with subject matter experts and Air Force SAPR program managers to review SAPR training for all new accessions. Based on the recommendations of this group, the Air Force is capturing best practices while instituting standardized core competencies and learning objectives as directed by the Secretary of Defense.

Question. If confirmed, what additional steps will you take to address the findings contained in this report?

Answer. As the Secretary of Defense states, there is no place in the military for sexual assaults. If confirmed, I would focus on victim care and support, to include legal assistance. Victims should be able to trust their leadership to do the right thing. This includes focused efforts on investigations and prosecutions. This, of course, is on top of the training being implemented currently.

INDEPENDENCE OF THE JUDGE ADVOCATE GENERAL

Question. What are your views about the responsibility of The Judge Advocate General (TJAG) of the Air Force to provide independent legal advice to the Chief of Staff and Secretary of the Air Force and to the Air Staff, particularly in the areas of military justice and operational law?

Answer. I believe it is critical for the Under Secretary to receive independent legal opinions from his senior uniformed judge advocate. Senior uniformed lawyers bring a wealth of experience and perspective shaped by years of working with commanders in the field. TJAG's ability to provide independent legal advice is statutorily guaranteed and vitally important to Air Force senior leader decision making. Generally, I believe senior leaders are better informed to make the best decisions when they are aware of both The Judge Advocate General's advice and the advice of the Air Force General Counsel.

Question. What are your views about the responsibility of staff judge advocates throughout the Air Force to provide independent legal advice to military commanders in the field and throughout the Air Force?

Answer. Staff Judge Advocates (SJAs) are essential to the proper functioning of both operational and support missions. SJAs have a major responsibility to promote the interests of a command by providing relevant, timely, and independent advice to commanders, and this independence is reflected in statute (title 10, U.S.C., § 8037(f)(2)). Convening authorities are required by statute (title 10, U.S.C., § 806) to communicate with their SJAs on issues related to military justice matters, which is critical to disciplined mission execution. In addition, commanders and other leaders rely on their staff judge advocates for advice on all types of legal and policy matters. SJAs offer legal advice independent of any particular agenda. I believe it is very important for commanders to continue to receive uniformed legal advice.

AIR FORCE END STRENGTH REDUCTIONS AND TRANSITION ASSISTANCE

Question. The National Defense Authorization Act for Fiscal Year 2013 established an Active Duty Air Force end strength of 329,460, a reduction of 3,340 airmen from the fiscal year 2012 authorized level. The Air Force has informed the committee that it will achieve this reduction using only voluntary measures, and that transitioning airmen will benefit from a "considerably expanded" Transition Assistance Program (TAP).

Please describe the voluntary measures that will be used to manage the Air Force's personnel reductions in fiscal year 2013, and whether the Air Force envisions using involuntary measures in fiscal year 2014 and beyond.

Answer. The Air Force active component authorized end strength in the National Defense Authorization Act for Fiscal Year 2013 is 329,460, requiring the Air Force to reduce 3,340 airmen from the fiscal year 2012 authorized end strength of 332,800. Should sequestration go into effect and continue beyond 2013, the Air Force corporate process would evaluate and prioritize resources to maintain a balance between people, equipment and available funding. Continued budgetary shortfalls could lead to out-year funding cuts that might drive internal Air Force decisions to decrease force structure, which would undoubtedly lead to further end strength reductions.

The reduction in end strength in fiscal year 2013 alone will require the Air Force to take continued force management actions to reduce the number of airmen serving the Nation while ensuring they maintain a high quality force. To do so, they will continue a multi-year force management strategy of leveraging voluntary programs first, offering incentive programs where needed, and executing involuntary actions only if required. They currently have the full range of legislative authorities nec-

essary to execute a force management program to meet congressionally mandated end strength.

In fiscal year 2013 enlisted airmen in non-critical overage Air Force Specialty Codes will be offered time-in-grade, Active Duty service commitment, and enlistment contract waivers. They will also continue the expanded Palace Chase program. The Air Force also implemented the Temporary Early Retirement Authority for a second year, Date of Separation Rollbacks, reduced accessions, initial skills training separations and Career Job Reservation constraints.

For officers, the Air Force expects no involuntary separations for fiscal year 2013 other than a limited number of initial skills training separations for officers. Voluntary programs will include time-in-grade, Active Duty service commitment, and 10 versus 8 years of commissioned service waivers for certain year groups and overage career fields. They will also continue the Palace Chase program for eligible lieutenant colonels and below. Additionally, they will be offering the Temporary Early Retirement Authority program and the Voluntary Retirement Incentive program to the officer force in fiscal year 2013.

For fiscal year 2014, the Air Force expects similar force management programs, but may include involuntary Selective Early Retirement Boards. However, given the current set of fiscal challenges and the uncertainty sequestration presents, I would continue to assess the need to pursue additional voluntary and involuntary force management authority actions to meet reassessed authorized end strength levels in fiscal year 2014 and beyond as approved by Congress and the Secretary of the Air Force.

Question. Please describe the new TAP program and how it will help airmen transition back into civilian society during this period of unstable economic conditions.

Answer. The Departments of Defense, Veterans Affairs and Labor launched a redesigned Transition Assistance Program (TAP) effective 21 November 2012 to better prepare airmen for the transition to civilian life. The redesigned TAP is focused on reducing veteran unemployment levels which are 2 percent higher than the rest of the population and aims to bolster and standardize the transition support that airmen across the Armed Forces receive prior to separating or retiring from the Air Force in order to make them as employment ready as possible.

The Veterans Opportunity to Work (VOW) Act of 2011 and the Veterans Employment Initiative (VEI) drove the new legislated TAP requirements to expand training and employment services for Active and Reserve component members who transition from the Air Force.

DOD and its agency partners work closely with approximately 85 Air Force Installations (to include 2 Guard and 1 Reserve training hub), to coordinate delivery of transition services included in the redesigned TAP.

TAP has been redesigned as a comprehensive, mandatory program that includes pre-separation counseling, a military to civilian skills review, VA benefits briefings, financial planning support, job search skills building, and an individual transition plan (ITP) preparation which will aid in a successful transition into a "career ready" civilian. The program will be renamed "Transition GPS (Goals, Plans, Success)".

The new program features a 5-day workshop with further "optional" training tracks (Higher Education, Technical Training, and Entrepreneurship taught by the Small Business Admin) in addition to extensive one-on-one counseling.

The "target population" of airmen who may need a higher level of support during their transition process has been defined as: (1) young airmen (18–24 years old); (2) those completing their first term of enlistment; (3) members involuntarily separated due to force reshaping; and (4) those separating rapidly.

Eligible Reserve component airmen are also mandated to actively participate in the redesigned Transition Assistance Program. Eligibility includes all members of the Guard and Reserve who are separating after serving more than 180 days of continuous Active Duty.

Spouses are encouraged to participate with the airman in all facets of the redesigned program.

The Air Force is aggressively rolling out the redesigned TAP program to assist transitioning airmen with becoming as competitive as possible in civilian society during this period of unstable economic conditions.

PERSONNEL AND ENTITLEMENT COSTS

Question. Military personnel costs, including health care, compensation, and retirement continue to soar and are becoming an ever increasing portion of the DOD and Air Force budgets.

What actions do you believe can be taken to control the rise in personnel costs and entitlement spending?

Answer. Military compensation is, and must remain, competitive to sustain the recruitment and retention of high caliber men and women to meet readiness requirements and accomplish our national security mission. If confirmed, I will remain committed to this goal. However, in light of the current economic crisis and overall reductions in defense spending, we must look at balancing personnel costs to avoid reductions to force structure and modernization efforts critical to the support of the warfighter and the defense of our Nation. I look at management of force structure as being a key element in controlling personnel costs. If confirmed, I will ensure that the Air Force continues to make difficult, but fiscally responsible decisions to implement force management programs that allow us to remain at authorized end strength levels. Additionally, I will pursue legislative and policy changes needed to ensure that the Air Force is able to operate as a total force with the most effective use of resources.

Question. What is your assessment of the Air Force's use of military bonuses in both the Active and Reserve components?

Answer. The bonus programs are among the most flexible and responsive force management tools to retain airmen in critical fields with high ops demand and low manning such as special operations, explosive ordnance, aircrew, intelligence, surveillance, and reconnaissance, RPA pilots and health professions. Although overall retention remains high, bonuses are necessary to target these critical skills for current health and as an investment in emerging missions. If confirmed, I would work to ensure that we are using bonuses only where necessary to maintain the proper force structure and skill sets.

Question. What is your assessment of the Air Force's use of aviation career incentive pay or assignment incentive pay for unmanned aerial systems operators, both those who are rated pilots and those who are not?

Answer. Aviation career incentive pays are an important compensation tool used to motivate and retain aviators operating manned and remotely piloted aircraft. As the demand for remotely piloted aircraft continues to grow, we will continue to rely on monthly incentive pays to attract officers and enlisted personnel who not only possess a unique skill set, but who work under challenging conditions to provide the Nation with an unparalleled combat capability. If confirmed, I will ensure that we continue to periodically review the efficacy of all aviation pays and bonuses to ensure we are fiscally responsible.

SEQUESTRATION

Question. What would be the impact on the Air Force if sequestration were to take effect on March 1, 2013, as currently required by law?

Answer. The Air Force would not be able to eliminate the adverse impacts of sequestration to readiness or modernization or even substantially mitigate them. If triggered, the Air Force would ramp down spending while protecting wartime and readiness accounts for as long as possible. Additional programs would need to be restructured, reduced and/or terminated. The effects of sequestration would cause great harm to national security, both by the size of the reductions and the across-the-board nature of the implementation of those reductions. If triggered, the Air Force will also begin the deliberate programming process of prioritizing programs ensuring we continue to strive to meet the DOD Strategic Guidance.

Question. What would be the specific impact on Air Force civilian and military personnel; on family programs; on morale, welfare and recreation programs; and on the delivery of health care to airmen, their families, and retirees?

Answer. The Military Personnel Appropriation has been exempted from sequestration. Any civilian personnel actions taken would be based on specific guidance from OSD.

SUICIDE PREVENTION

Question. The number of suicides in the total Air Force continues to be of concern to the Committee.

If confirmed, what role would you play in shaping suicide prevention programs and policies for the Air Force, the Air National Guard, and the Air Force Reserve, to prevent suicides and increase the resiliency of airmen and their families?

Answer. Engaged leaders and communities are the key to suicide prevention. Although lower than comparable civilian rates, the Air Force's total force suicide rate has seen a slow but very concerning rise in the last several years. It is now at just under 16 per hundred thousand per year, and I am greatly concerned that we still lose about 50 active duty airmen per year from suicide. Fortunately the Air Force has an effective program in place—one that is continually improving, targeting career fields at higher risk. The Air Force Suicide Prevention Program is a commu-

nity-based approach that fosters a Wingman culture organized under commander-led committees of installation helping agencies. The program is composed of 11 elements of community and command involvement. Research shows that the Air Force suicide rate is lower when these 11 elements are fully engaged. This year, the Air Force is improving the annual self-assessment of those elements.

The Air National Guard and Reserve Command airmen's suicide rates have been similar to those of active duty Air Force. Although not all Reserve component airmen are in contact with their units as regularly as those on Active Duty, their leaders have, and will continue to be fully engaged in their lives—there for them and their families when they are in crisis. Like the Active Duty units, the Air National Guard and Reserve Command both utilize these elements of the prevention program. In concert with supervisors, chaplains, and community resources, wing and regional directors of psychological health work to get these airmen the help they need in crisis.

FAMILY SUPPORT

Question. Military members and their families in both the Active and Reserve components have made, and continue to make, tremendous sacrifices in support of operational deployments. Senior military leaders have warned of growing concerns among military families as a result of the stress of frequent deployments and the long separations that go with them.

What do you consider to be the most important family readiness issues for Air Force personnel and their families, and, if confirmed, how would you ensure that family readiness needs are addressed and adequately resourced?

Answer. I understand that a primary concern for airmen and their family members is their ability to do the mission and simultaneously support their families. Specific areas of concern include access to quality specialized child care and education. Also, for those transitioning to the civilian sector, military members are concerned about being prepared for employment and/or continuing their education. Families are concerned about the civilian spouse finding employment as they relocate from installation to installation.

I am aware there are DOD and Air Force programs that address these issues, such as the Transition Assistance Program (TAP), which has been recently enhanced by the Veteran Opportunity to Work Act of 2011. If confirmed, I will ensure a thorough review of all available resources to support valuable family programs.

Question. How would you address these family readiness needs in light of global rebasing, deployments, and future reductions in end strength?

Answer. I understand the Airman and Family Readiness Centers serve as a resource hub for Air Force families prior—to, during, and following deployments. The deployment programs the Airman and Family Readiness Center have in place for the airmen and family members are crucial in supporting the mission. DOD has funded valuable resources in Military Family Life Consultants that work in Air Force Family Support Programs to deal with family and life issues, child behavioral issues and school transition issues. I will ensure the Air Force programs are adequately supported with this valuable resource.

Question. If confirmed, how would you ensure support to Reserve component families related to mobilization, deployment and family readiness, as well as to active duty families who do not reside near a military installation?

The Air Force is a total force, and provides resources and support to all components through various Airman and Family and Child and Youth programs. These support programs are sustained through continued collaboration with the State Joint Base Board and other services.

Geographically separated servicemembers (and their families) have immediate access to many resources online that enable them to remain connected to their units and support services.

Question. If confirmed, what additional steps will you take to enhance family support?

Answer. I will review current manpower and staffing for family programs. In keeping with current White House directives, I will support programs that enhance mission readiness.

I would like to see sufficient staffing and training for family readiness staff as we partner with community organizations to continue building support for airmen and their families.

MORALE, WELFARE, AND RECREATION

Question. Morale, Welfare, and Recreation (MWR) programs are critical to enhancement of military life for members and their families, especially in light of fre-

quent and lengthy deployments. These programs must be relevant and attractive to all eligible users, including Active Duty and Reserve personnel members and families assigned overseas, and personnel deployed in support of military training and operations.

What challenges do you foresee in sustaining Air Force MWR programs, and, if confirmed, what improvements would you seek to achieve?

Answer. MWR programs exist to provide Quality of Life (QOL) programs and services to airmen and their family members. There is a recognized correlation between QOL, readiness, and resilience, particularly in light of frequent and lengthy deployments.

A top priority for the Air Force is to develop and care for airmen. I don't foresee any change to that focus. The Air Force's MWR programs are currently undergoing an enterprise-wide transformation to right-size and ensure their currency and relevancy for airmen and their families.

Without a doubt, MWR programs and services for military members and their families are critical to Air Force readiness and mission capability. As the Air Force advances MWR transformation, I will advocate for the Air Force to seek partnership opportunities with local communities to help ensure they provide the best support possible for the Air Force while embracing efficiencies and innovative ways of doing business.

If confirmed, I will fully support the ongoing MWR transformation efforts to be a model of innovation, efficiency, and resource stewardship, geared toward meeting the needs of airmen and families now and in the future.

BALANCE BETWEEN CIVILIAN EMPLOYEES AND CONTRACTOR EMPLOYEES

Question. In recent years, the Air Force and the Department of Defense have become increasingly reliant on services provided by contractors. In many cases, contractor employees work in the same offices, serve on the same projects and task forces, and perform many of the same functions as Federal employees.

Do you believe that the current balance between civilian employees and contractor employees is in the best interests of the Air Force and the Department of Defense?

Answer. I believe we must continue to ensure that inherently governmental functions are not outsourced and scrutinize those areas where the distinction is blurred, and could result in the potential for wasteful spending. If confirmed, I will work with the Secretary of the Air Force and leaders across the Air Force to assess this matter to ensure compliance with the law and with the President's policy. I believe there is a great deal to do in this area, and will bring lessons learned from the Department of the Navy, where we have made a substantial and successful effort to better shape the balance between the civilian and contractor workforce.

Question. In your view, has the Air Force become too reliant on contractors to perform its basic functions?

Answer. The Federal Acquisition Regulation (FAR) and title 10, U.S.C., section 129, restrict the use of personal services contracts. I believe these regulations best serve the interests of the Air Force. If confirmed, I would continue to work with the Secretary of the Air Force and leaders across the Air Force to ensure compliance with applicable law and policy.

I agree with the view expressed in President Obama's March 4, 2009 memorandum on government contracting, that states excessive reliance by executive agencies on sole-source contracts create a risk where taxpayer funds could be inefficiently spent and otherwise not service the needs of the Federal Government. I would work with the Secretary of the Air Force and leaders across the Air Force to assess this matter to ensure compliance with the law and with the President's policy. I believe there is a great deal to do in this area, and will bring lessons learned from the Department of the Navy, where we have made a substantial and successful effort to better shape the balance between the civilian and contractor workforce.

Question. Do you believe that the current extensive use of personal services contracts is in the best interest of the Air Force?

Answer. The Federal Acquisition Regulation (FAR) and title 10, U.S.C., section 129, restricts the use of personal services contracts. I believe these regulations best serve the interests of the Air Force. If confirmed, I would continue to work with the Secretary of the Air Force and leaders across the Air Force to ensure compliance with applicable law and policy. I believe there is a great deal to do in this area, and will bring lessons learned from the Department of the Navy, where we have made a substantial and successful effort to better shape the balance between the civilian and contractor workforce.

Question. Do you believe that the Air Force and the Department of Defense should undertake a comprehensive reappraisal of “inherently governmental functions” and other critical government functions, and how they are performed?

Answer. The Department’s “sourcing” of functions and work between military and civilians, or through contracted services, must be consistent with workload requirements, funding availability, readiness and management needs, as well as applicable laws and statutes. Consistent with existing statutory requirements (such as FAIR Act and title 10, U.S.C., section 2330a), and the total force mix of military, civilian, and contracted support, I believe the Air Force should pursue a mitigation of risk and the appropriate consideration of costs. Even during this period of constrained defense budgets, the Air Force should ensure that military or Federal civilians are performing all inherently governmental jobs, and that sufficient levels of civilians are available to perform critical oversight, management, and readiness functions of the Air Force. I do not believe a comprehensive review of “inherently governmental functions” is necessary, but I do believe more rigorous oversight where we apply contracted services is necessary across the Department.

Question. If confirmed, will you work with other appropriate officials in the Department of Defense to address these issues?

Answer. If confirmed, I will continue to collaborate with other Air Force officials to ensure these matters are addressed in the best interest of the Air Force and the Department of Defense.

Question. Section 955 of the National Defense Authorization Act for Fiscal Year 2013 requires a 5 percent reduction in anticipated funding levels for the civilian personnel workforce and the service contractor workforce of the Department of Defense, subject to certain exclusions.

What impact do you expect the implementation of section 955 to have on the programs and operations of the Air Force?

Answer. Based on the Air Force’s understanding of section 955’s requirement for DOD to reduce at least the same percentage reduction in anticipated funding levels for the civilian personnel workforce and service contractors as compared to reductions in military pay levels, and contingent on receipt of DOD’s efficiencies plan, the Air Force is working the following actions:

Civilian—The Air Force, as part of a larger OSD-led effort, conducted a comprehensive review of capabilities performed by its civilian workforce. During the course of this review, the Air Force identified areas where it could most prudently accept risk, while still being able to accomplish its mission. The result of this analysis led to a 2.8 percent reduction to Air Force civilian manpower over the next five years, exceeding the 2.3 percent reduction to Air Force military manpower over the same time period.

Contractor—The Air Force, as part of the OSD led Limitation on Aggregate Annual Amount Available for Contracted Services (section 808 of the NDAA for Fiscal Year 2012), has worked to ensure that contract obligations for fiscal year 2012 and fiscal year 2013 remain at, or are lower than, what was requested for contracted services in the fiscal year 2010 President’s budget. This, coupled with previously identified service contract efficiencies (Knowledge Based Services, Advisory Studies, Service Support Contractors, and Program Mission Augmentation), should meet the intent of section 955.

Question. What steps will you take, if confirmed, to ensure that section 955 is implemented in a manner that is consistent with the requirements of section 129a of title 10, U.S.C., for determining the most appropriate and cost-efficient mix of military, civilian, and service contractor personnel to perform Air Force missions?

Answer. If confirmed, I would ensure the Air Force sufficiently determines the most appropriate and cost-effective mix of military, civilian, and contracted services by reviewing the performance of functions identified as core or critical to the mission of the department, consistent with the workload analysis and risk assessment required by sections 129 and 129a of title 10.

Question. What processes will you put in place, if confirmed, to ensure that the Air Force implements a sound planning process for carrying out the requirements of section 955, including the implementation of the exclusion authority in section 955(c)?

Answer. If confirmed, I will work within the Air Force to put a process in place to determine core or critical requirements that considers critical occupations in the Acquisition Workforce Plan, personnel employed at facilities that provide core logistics capabilities, medical services, and maintenance and repair of military equipment. Civilian personnel workforce or service contractor workforce performing other critical functions may be identified as requiring exemptions or exclusion authority in the interest of the national defense.

Question. Section 808 of the National Defense Authorization Act for Fiscal Year 2012 requires the Department of Defense to implement a freeze on spending for contract services, comparable to the freeze on civilian personnel required by the efficiencies initiatives.

What is your understanding of the impact that the freeze on spending for contract services has had on the Air Force?

Answer. I understand the Air Force began aggressively reducing spending on contracted services in fiscal year 2009 and continues while ensuring continued mission capability. Decisionmakers must balance acceptable risk and available budgets to ensure future mission capability as the reductions are made.

Specific to fiscal year 2012 and fiscal year 2013, the period covered by the NDAA, my understanding is the limitation is a broad brush that puts an overall ceiling on not only management support contracts, but also other mission critical contracts such as Weapon System Sustainment, Ranges, and Critical Infrastructure. If the limitation is so broad that it encompasses all contracts, there may be unintended consequences.

Question. What is your understanding of Air Force plans for spending for contract services over the next 5 years?

Answer. The Air Force will continue to make tough decisions on spending cuts. Air Force leaders must balance impacts to mission capability with the need for reducing spending. I believe additional emphasis on market research is critical for us to fully understand the industrial base and that we effectively use competition as a forcing function to reduce the services spend, while not sacrificing mission accomplishment.

Question. What is your view on the feasibility and advisability of further reductions in spending for contract services over the next 5 years?

Answer. Budget cuts must be made carefully and with full understanding of the accepted risks and impacts to mission capability. I believe further reductions are necessary, but should be applied tactically as a result of the analysis of risks to mission capability and effectiveness.

LEGISLATIVE FELLOWS PROGRAM

Question. Each year, the Services assign mid-career officers to the offices of Members of Congress under the Legislative Fellows Program. Upon completion of their legislative fellowships, officers are supposed to be assigned to follow-on positions in their services in which they effectively use the experience and knowledge they gained during their fellowships.

What is your assessment of the value of the Legislative Fellows Program to the Air Force and to the career development of the officers involved?

Answer. I strongly support the Legislative Fellows program and very much appreciate the continued support we get from Members of Congress for the program. It provides mid-career officers, civilians, and now senior noncommissioned officers, a valuable learning experience. The program exposes top-tier Air Force officers, civilians and senior noncommissioned officers to the inner workings of the legislative process. Additionally, the relationships they form with civilian leaders and their staffs in Congress benefit both the fellow and the Air Force by enhancing open dialogue and communication between the Air Force and Congress.

Question. What is your assessment of the Air Force's utilization of officers who have served as legislative fellows?

Answer. My understanding is that the Air Force makes every effort to assign them to follow-on positions which use their legislative experience. Most fellows who are not immediately assigned to a legislative-related position are selected for command and use their legislative experience in that capacity and later in their career. If confirmed, I will continue to emphasize appropriate follow-on assignments which maximize the skills developed during their time on the Hill.

MANAGEMENT AND DEVELOPMENT OF THE SENIOR EXECUTIVE SERVICE (SES)

Question. The transformation of the Armed Forces has brought with it an increasing realization of the importance of efficient and forward thinking management by senior executives.

What is your vision for the management and development of the Air Force senior executive workforce, especially in the critically important areas of acquisition, financial management, and the scientific and technical fields?

Answer. I believe that the members of the Senior Executive Service are an integral and critical component to the continued success of these vital career fields. As I understand it, the Air Force manages their Senior Executive Service workforce through a comprehensive and strategic corporate approach. The Air Force's delib-

erate lifecycle management of their executive cadre facilitates their recruitment, development, compensation, succession planning and retention. From what I have seen, the Air Force is particularly effective at making sure its senior civilian leaders have a healthy balance of experience inside and outside of the Air Force headquarters. If confirmed, I will continue to support this approach.

Question. Over the last 10 years, the Air Force budget has almost doubled, but the number of senior executives in the Department of the Air Force has remained almost unchanged.

Do you believe that the Air Force has the number of senior executives it needs, with the proper skills to manage the Department into the future?

Answer. I have not yet had the opportunity to review the number of Air Force senior executives and their associated proficiency levels in critical competencies. If confirmed, I will look into the issue.

REMOTELY PILOTED AIRCRAFT PILOT PROMOTION AND EDUCATION

Question. S. 3254, the Senate Armed Services Committee's version of the National Defense Authorization Act for Fiscal Year 2013, as reported out by the committee, included a provision that would require a report from the Secretary of the Air Force and the Chief of Staff on the promotion rates and educational and training opportunities for pilots of remotely piloted aircraft (RPA). The report would need to explain the causes for the persistently lower rates of promotion and education over the last 5 years, the impact of these trends, and the Air Force's plans to take corrective action.

Are you familiar with the adverse trends in RPA pilot promotion and education rates?

Answer. Yes, I am familiar with these issues and understand the Air Force has initiatives in place to improve the health of the RPA career field as they continue to aggressively monitor progress. The Air Force has addressed the below Air Force average promotions (11–19 percent behind the Air Force average) and completion of Advanced Academic Degrees and Professional Military Education (PME) by improving in-residence opportunities and promotion board packages that address the RPA community's unique challenges.

Question. Do you share the committee's concerns about these trends?

Answer. Yes. If confirmed, I will keep RPA a key focus area as we continue to grow this capability that is instrumental in our current and future success as the world's dominant air power.

Question. How would you expect to contribute to fixing this problem?

Answer. If confirmed, I will keep my finger on the pulse of the RPA community through functional, operational and resource management leadership. I will ensure current plans in place, aimed at leveling promotion and educational opportunities through targeted messaging, improved resourcing, and focused retention strategies, have the desired impacts and take swift action if they prove to be ineffective. With such a critically important career field, the Air Force must get it right at the beginning and build not just a population that is effective now, but one that is competitive, sustainable, and razor-sharp in the execution of their duties in the years ahead.

CONGRESSIONAL OVERSIGHT

Question. In order to exercise its legislative and oversight responsibilities, it is important that this committee and other appropriate committees of Congress are able to receive testimony, briefings, and other communications of information.

Do you agree, if confirmed for this high position, to appear before this committee and other appropriate committees of Congress?

Answer. Yes.

Question. Do you agree, if confirmed, to appear before this committee, or designated members of this committee, and provide information, subject to appropriate and necessary security protection, with respect to your responsibilities as the Under Secretary of the Air Force?

Answer. Yes.

Question. Do you agree to ensure that testimony, briefings, and other communications of information are provided to this committee and its staff and other appropriate committees?

Answer. Yes.

Question. Do you agree to provide documents, including copies of electronic forms of communication, in a timely manner when requested by a duly constituted committee, or to consult with the committee regarding the basis for any good faith delay or denial in providing such documents?

Answer. Yes.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR BILL NELSON

EGLIN TEST MISSION

1. Senator NELSON. Mr. Fanning, in 2011, the Air Force announced a reorganization of the Air Force Materiel Command (AFMC) and aimed to reduce overhead costs and redundant layers of staff. The NDAA for fiscal year 2013 included an amendment which required AFMC to submit an assessment of the efficiencies and effectiveness associated with this reorganization. Will you commit to keeping a close eye on the recent efficiencies initiatives at AFMC started by General Wolfenbarger, as well as to visit Eglin Air Force Base to see the test mission first hand?

Mr. FANNING. Yes. If confirmed as the Under Secretary of the Air Force, one of my primary focus areas will be to ensure the Air Force is structured properly, with the ability to respond to the warfighters' needs as quickly and efficiently as possible. Given the current fiscal realities the Department faces now and in the future, we must make every effort to streamline and eliminate redundant layers of overhead, at all levels. This is precisely the intent of the Air Force Materiel Command (AFMC) reorganization.

The reorganization eliminated over 1,000 civilian positions, and is expected to generate at least \$100 million in annual savings, while concurrently reshaping the Command to align each major mission area under one center commander. Additionally, AFMC's efforts reduced the number of direct reports from 12 to 5. Since it was implemented on 1 October 2012, it is well on its way to full operational capability later this year.

With regard to visiting Eglin Air Force Base, I absolutely commit to visiting the base as soon as my schedule allows. I am anxious to see the test mission and the other aspects of the Air Force mission resident at this location.

KC-46A TANKER

2. Senator NELSON. Mr. Fanning, on January 9, 2013, the Air Force released the initial round of basing for the new tanker, the KC-46A. The top four bases under consideration are located in the center of the country, as well as the west coast. U.S. Southern Command (SOUTHCOM) leads the counterdrug mission and, every year, drug interdiction on the high seas accounts for the removal of 200 tons of cocaine from the U.S. supply, which is 10 times that which is removed by U.S. law enforcement. I do not believe SOUTHCOM was consulted when considering the first round of basing for the KC-46A and deserves consideration. Would you commit to looking at the requirements of SOUTHCOM for the next round of basing decisions for the KC-46?

Mr. FANNING. Yes. As I understand it, the combatant commands (COCOMs) identify their air refueling requirements to the Air Force through various Joint strategic planning efforts. In turn, the Air Force's strategic basing process provides a methodology whereby basing decisions are consistent with Air Force operational requirements which are designed to meet the combatant commanders' needs. If confirmed, I will ensure that these requirements, including those of SOUTHCOM, are considered as part of the basing decisions.

QUESTION SUBMITTED BY SENATOR CLAIRE McCASKILL

SEXUAL ASSAULT

3. Senator McCASKILL. Mr. Fanning, DOD under former Secretary Panetta's leadership, implemented a number of initiatives to try to curb sexual assaults in the military—a problem he stated could be six times greater than reported—and we have seen both military and civilian leaders acknowledge that sexual assault is a problem that affects the recruitment, retention, and readiness of our Armed Forces. This committee has taken up the issue of sexual violence in the military and has implemented some reforms in the National Defense Authorization Act, most recently in fiscal year 2013.

In the advance policy questions you were asked: what are the barriers that discourage or prevent victims from coming forward and what additional steps would you take to remove barriers to reporting sexual assaults? You responded, "Shame,

fear, stigma, and concern for potential revictimization continue to be the primary reasons victims do not come forward. To remove these barriers, victims must have confidence in the system and in their leadership to do the right thing. Air Force senior leaders, commanders, and senior enlisted are personally involved and their leadership is instrumental to removing these barriers and ensuring victims receive the care and support they deserve." You also said, "Another important factor is holding perpetrators accountable." Yet last week, an officer convicted only 4 months ago of aggravated sexual assault by a jury of officers had all the charges dismissed by the convening authority, Lieutenant General Craig Franklin, and he has been reinstated.

Lieutenant General Franklin's decision to dismiss the charges sends a message to every member of the Air Force that if they are a survivor of sexual assault they might not find justice in the military justice system. If confirmed, how will you, as a senior civilian leader in the Air Force, help restore confidence to the members of the Air Force after this incident?

Mr. FANNING. Sexual assault is a crime and a matter of serious and continuing concern; eliminating sexual assault in the military is a high priority for the Air Force leadership. If confirmed, I will work closely with Air Force leaders, as well as outside experts, to ensure our sexual assault prevention and response programs are the best available—we have a responsibility to all airmen to make this so. This will be a priority of mine, and something I would speak out about at every appropriate opportunity.

I continue to believe shame, fear, stigma, and concern for potential re-victimization are the primary reasons victims do not come forward and that to remove these barriers, Air Force leadership must be personally involved. Creating an environment where all Airmen understand this crime has no place in the Air Force is a vital step in building confidence in the military justice system. In December 2012, the Chief of Staff met with all Air Force wing commanders and stressed the importance of their leadership in tackling this problem. This was followed by an Air Force-wide inspection conducted to assess and adjust the command climate across the Air Force.

Further, victims must be encouraged to report this crime and be fully supported when they do. The Air Force's newly established Special Victim's Counsel Program is an example of the importance Air Force leaders place on victim support. By providing victims of sexual assault with their own specially trained, independent military attorney, victims now have someone to specifically help them navigate the investigatory and adjudicatory phases of a case. I believe this will have a profound impact on reducing barriers victims currently face.

If confirmed, I would closely monitor Air Force effects to ensure they were making the necessary progress and to look for additional measures we could take to accelerate progress.

QUESTION SUBMITTED BY SENATOR ANGUS S. KING, JR.

AIR FORCE TANKER PROGRAM

4. Senator KING. Mr. Fanning, if you are confirmed and once you assume your duties as Under Secretary of the Air Force, I would like for you to provide information on the Air Force's plans for sustaining its air refueling capabilities in the future. I would like to see included in this information an explanation for how the initial 179 KC-46A aircraft will be fielded, and the follow-on plans for replacing the remainder of the KC-135 fleet. I would also like the Air Force's assessment of the role the 101st Aerial Refueling Wing (ARW) at Bangor, ME, will play in the future, and the earliest the 101st ARW could be in line to field new aircraft, including the KC-46A.

Mr. FANNING. If confirmed, it will be an early priority of mine to better understand the Air Force's Strategic Basing process so as to have more fidelity into the initial KC-46A basing actions. I commit to providing answers to these questions at the earliest opportunity.

QUESTIONS SUBMITTED BY SENATOR JAMES M. INHOFE

EFFICIENCIES

5. Senator INHOFE. Mr. Fanning, for years DOD has embarked on several efficiency campaigns. Both Secretaries Gates and Panetta have included efficiency ini-

tatives as part of the President's budget submission. Do you believe DOD has adequate tools to track efficiencies?

Mr. FANNING. Yes. Efficiency initiatives are routinely tracked by the Office of the Secretary of Defense (OSD) Comptroller and DCMO, who report then to the Deputy Secretary of Defense in his role as Chief Management Officer of the Department of Defense (DOD). In my role as DUSN/DCMO, I have had responsibility for Department of the Navy efficiency initiatives. Working closely on these efforts with the Army and Air Force has led me to believe that the Air Force has a strong process in place and adequately resources their tracking mechanism. If confirmed, I will take a closer look to make sure my initial impressions are justified.

The work we are doing across the Services in the area of achieving clean audit, as well as the work directed by the OSD Comptroller on Standard Lines of Accounting, will certainly help improve the quality of data we have to understand, control and reduce the cost of business operations.

6. Senator INHOFE. Mr. Fanning, how successful has DOD been in realizing the efficiencies already assumed in previous budget requests?

Mr. FANNING. From my assessment, DOD overall has been largely successful in realizing the efficiencies already assumed in previous budget requests. Specifically in the Air Force, a \$33 billion efficiency objective was set in the initial round of efficiency targets. The Air Force is currently managing and tracking \$43 billion in efficiencies from fiscal year 2012 to fiscal year 2017. The first year of Service-established targets was 2012 and the Air Force recorded savings of over \$6 billion against a target of \$4.8 billion. Included in the 2012 efficiency savings are reductions of ~16.5 thousand civilian positions with ~19.9 thousand removed by 2016. However, some of the more difficult efficiencies were booked in the out years and will require continued and concerted leadership attention to achieve.

7. Senator INHOFE. Mr. Fanning, what lessons have you learned in the assumptions used in taking efficiencies?

Mr. FANNING. There have been many lessons learned from the efficiencies. First and foremost, many of the assumptions made in taking efficiencies failed fully to take into account the priorities of external stakeholders, to include local communities and congressional priorities.

Second, in reducing the size of organizations, we often assume that the targeted organizations will identify mission to cut. We have learned that it is very hard for organizations themselves to identify this mission. It requires sustained leadership involvement to direct what mission is no longer a priority, and to work with relevant stakeholders to eliminate the requirement for that mission.

Finally, leadership must stay involved long after the efficiencies are booked. It requires oversight to ensure that cuts do not grow back and that the hard work of actually achieving the efficiencies is not replaced by components offering offsets in their place.

ACQUISITION REFORM

8. Senator INHOFE. Mr. Fanning, for the past several years, the Chiefs of the individual Services have repeatedly stated requirements creep is one of the major factors creating increased costs and delays in the acquisition of weapon systems. Specifically, additional capability requirements continue to be added during the development of weapons systems. Among other difficulties created by additional requirements is the redesign, and even rebuilding, of weapons systems. These concerns continue despite the fact the Joint Requirement Oversight Council must approve of any requirements changes. Therefore, what additional steps is DOD using to ensure requirements creep is reduced and to reform the Joint Capabilities Integration Development System?

Mr. FANNING. The Air Force has implemented several acquisition and requirements initiatives focused on controlling both requirements creep and program costs. As a result, the Air Force implemented a deliberate effort to reduce the number of mandatory key performance parameters (KPPs), limit requirements objectives, better translate capability requirements into system specifications, and improve oversight of cost and schedule drivers at key program reviews.

The data shows that the number of KPPs has trended down since 2009. KPPs averaged 6.1 per program in 2009 and 4.6 per program in 2012. To further control potential program cost growth and requirements creep, the Air Force implemented Headquarters Air Force guidance that limits use of objective values in all Air Force requirements documents.

Requirements creep oftentimes occurs during the translation of operational capability requirements into derived system level requirements or specifications. To ensure system requirements documents (SRD) are accurate, the Air Force directed requirements sponsors to work with the program offices and provide formal coordination on generated SRD. The Air Force is also conducting an earlier and more robust cross-functional review of operational and derived requirements to inform the acquisition strategy prior to release of the final Request for Proposals.

Finally, the Air Force Configuration Steering Board (CSB) process is undergoing enhancements to ensure senior leadership reviews requirements cost drivers and affordability impacts at CSB reviews. Although CSB reviews are not part of the formal requirements process, they include mandatory representation from requirements and acquisition stakeholders to stimulate informed discussions on how requirements impact program cost and schedule.

CIVILIAN FURLONGHS UNDER SEQUESTRATION

9. Senator INHOFE. Mr. Fanning, under sequestration, DOD will furlough civilian personnel for 22 days through the end of this fiscal year. Employees will suffer an 8 percent pay cut, and many of them will have a hard time making ends meet. We know that 86 percent of appropriated fund employees reside outside of the Washington, DC area. Most States will be affected by the furloughs. In Oklahoma, almost 24,000 civilian employees will be furloughed under sequestration. Many of them are Air Force civilians. DOD estimates it will cost those employees in my State approximately \$129 million. If sequestration occurs, what will the Air Force do to minimize the impact on civilian employees?

Mr. FANNING. Due to the reality of sequestration, the Air Force immediately took actions to significantly slow spending in order to operate within mandated budget limitations. As a last resort, DOD elected to implement furlough. By scheduling furlough days in a discontinuous manner, the 14 days are spread throughout the remainder of the fiscal year to mitigate the financial impact to the civilian workforce. In spreading the furlough to roughly 1 day a week, civilians are ensured of earning at least 80 percent of their pre-deduction pay during the furlough period, which reduces the impact on valuable medical coverage, life insurance, and long-term care insurance coverage.

The Air Force also ensured any sequestration actions taken were not permanent and potentially reversible in the event the crisis suddenly ends. Implementing furlough in a discontinuous manner allows flexibility if the budget impasse is resolved, in which case the Air Force could immediately cease with any remaining furloughs in fiscal year 2013.

10. Senator INHOFE. Mr. Fanning, does the Air Force have stress reduction programs in place to help civilian employees get through these difficult times?

Mr. FANNING. The Air Force is fully committed to supporting civilian employees during these difficult times, and we have several programs at their disposal. To the maximum extent possible, Air Force medical mental health professionals will be available to provide stress management and reduction programs to our civilian airmen on a space-available basis. Additionally, Air Force Airman and Family Readiness Centers provide wellness programs for Airmen, to include civilians and their family members. Each Air Force base has an Employee Assistance Program with capacity to help our employees through this difficult time. Air Force civilian employees may also request to receive assistance from the Federal Employee Education and Assistance Fund. Finally, many civilian employees are members of the Guard or Reserve or are retired servicemembers, and may be eligible to request additional support from the Air Force Aid Society.

If confirmed, I will remain committed to providing every possible avenue for support to civilian Airmen affected by furlough and will share those options with them as quickly as possible. However, I also realize support programs may not fully compensate them for the lost income from 22 days of without pay. Therefore, the Air Force must encourage civilian employees to plan now for the potential reduction of income. Official notification of any furloughs would come through their chain of command.

AGING FLEET OF AIRCRAFT

11. Senator INHOFE. Mr. Fanning, our Air Force has been continuously engaged in combat operations for over 2 decades. It is operating the oldest fleet of aircraft in its history:

- Air Force bombers—35 years old on average;
- Air Force fighters—28 years old on average;
- Surveillance aircraft—over 30 years old on average; and
- Transport and tanker aircraft—over 40 years old on average with tankers projected to be 70–80 years old before they are retired.

Given the projected defense budgets, that fleet will continue to age. What are your concerns about this aging fleet and decreasing budgets?

Mr. FANNING. Given the outlook for future defense budgets, the biggest concerns associated with the Air Force's aging aircraft are keeping them operationally viable given advanced capabilities already demonstrated by potential adversaries and the increasing costs associated with maintaining them. Both of these absorb available funding that could otherwise be used to fund programs with more direct readiness impact, such as flying hours and training ranges. These factors, coupled with over 2 decades of ongoing operations and the resulting reduced training opportunities, have led to a steady decline in full spectrum mission readiness. The ability of the Air Force to continue to modernize and recapitalize capabilities is critical to maintaining its ability to meet Defense Strategic Guidance, particularly in highly contested environments.

12. Senator INHOFE. Mr. Fanning, what is the impact of sustaining aging equipment on our ability to procure new equipment?

Mr. FANNING. Every year the Air Force must carefully balance its funding between sustaining aging equipment and investing in new equipment. This period of fiscal constraint makes the attempt to balance sustainment and investment even more difficult. As the Air Force defers investments in new equipment, and as sustainment costs for older equipment increase, the competition for equipment recapitalization resources intensifies.

13. Senator INHOFE. Mr. Fanning, do you think we have reached the point with any of our current equipment that the business case analysis recommends we procure new equipment but, due to a lack of funds, we are forced to sustain the existing equipment?

Mr. FANNING. Yes, I believe that for some of our equipment, we may have reached the point where the business case analysis justifies replacement, but funding constraints force us to sustain the legacy system in lieu of modernizing. Where this is the case, we run the risk of a "death spiral" where operating and support costs continue to rise, crowding out opportunities to modernize. However, recapitalization decisions are complex and new equipment does not always cost less to sustain. Therefore, every recapitalization decision should be carefully evaluated using sound business case analysis that fully considers life cycle cost (investment, operations, and support) and capability.

14. Senator INHOFE. Mr. Fanning, what impact will the Air Force's inability to develop and procure new aircraft have on its readiness 10 years from now?

Mr. FANNING. The Air Force's legacy fleet will continue to become more expensive to maintain as it approaches and exceeds programmed life expectancy, likely causing reduced aircraft availability for both training and operational use. Further, many of the aircraft in the Air Force inventory today have reached the point where further technological upgrades will provide only minimal improvement against current threats and leave them ill-equipped for future combat environments.

QUESTIONS SUBMITTED BY SENATOR SAXBY CHAMBLISS

F-35 JOINT STRIKE FIGHTER

15. Senator CHAMBLISS. Mr. Fanning, the F-35 Joint Strike Fighter (JSF) has experienced several delays in its acquisition process. The F-16, one of the more successful air platforms, was fraught with engineering delays as well. DOD has spent massive amounts of funding on the program and it is an essential piece for our military dominance in the future. As we approach the next phase of defense strategy with the shift to the Asia-Pacific and increased tensions in historical hot spots, it is imperative that we maintain air superiority throughout this transition. To do so, the F-35 JSF program's success is vital. Is the Air Force committed to seeing this project to fruition?

Mr. FANNING. The F-35 represents the future of the Air Force fighter fleet. It will provide critical capabilities required to accomplish Air Force missions in the threat environment of the future, and enables true joint and coalition operations. As Sec-

retary Donley stated in his testimony before the Senate Armed Services Committee, the Air Force remains fully committed to the F-35 Program.

16. Senator CHAMBLISS. Mr. Fanning, as Under Secretary, what will you do to ensure the program is successful and timely in its acquisition and production?

Mr. FANNING. The Joint Program Office (JPO) has made important progress in identifying program efficiencies and pursuing cost avoidance efforts, and the Air Force has stated that it will continue to fully fund the program to the cost estimate, and is evaluating the most effective production ramp profile to maximize learning curve savings.

If confirmed, I will support these initiatives and more deeply involve myself in the work necessary to support the JPO's efforts to reduce operations and sustainment costs over the lifecycle of the program.

QUESTIONS SUBMITTED BY SENATOR MIKE S. LEE

BIOFUELS

17. Senator LEE. Mr. Fanning, in 2012, the Navy undertook the expensive "Great Green Fleet" demonstration, purchasing 450,000 gallons of biofuel at \$26 a gallon for a total of \$12 million spent on fuel for just one demonstration. The Air Force similarly spent \$639,000 on 11,000 gallons of biofuels for a demonstration in 2012, costing the taxpayer \$59 per gallon. With the prospect of sequestration and a much tighter defense budget in coming years, do you believe that the military should continue such large-scale demonstrations using biofuels? Please provide a yes or no answer, and if answering yes, please provide a justification as to why programs involving biofuels should be prioritized over other research and development programs.

Mr. FANNING. Yes. It is my understanding that the Air Force investments in biofuels is limited to certifying fuels that are in the pipeline or are planned to be in the pipeline, but that there are no plans to purchase in large quantities until it is cost effective. AF biofuels purchases are not designed to create a market for those fuels, but to better understand what alternatives work with existing AF platforms.

The Air Force should continue testing and certifying any alternative aviation fuels that have the potential to be produced cost-competitively by private industry and that meet Air Force specifications. Alternative fuels provide options for global mobility—rather than being tied to a specific fuel, the Air Force can use what is available. The Air Force is in the process of converting its primary jet fuel used in the continental United States from JP-8, the current military specification, to the more readily available commercial Jet A fuel. Since the cost of Jet A is less than JP-8, the Air Force estimates potential savings of \$40 million annually in fuel procurement costs (Jet A with additives costs two cents (\$0.02) a gallon less than JP-8). As part of this conversion, however, the Air Force will need to ensure none of the alternative fuels identified in the commercial specification will negatively impact flying operations. The purpose of purchasing 11,000 gallons of alcohol-to-jet fuel was to test and certify the Air Force fleet to ensure it could operate safely and effectively on such a fuel blend, which is anticipated to have high commercial viability.

FUTURE ACQUISITION PROCESS

18. Senator LEE. Mr. Fanning, with the prospect of sequester cuts to DOD this year and continuing cuts through the next 9 fiscal years, we must change the way that acquisitions are conducted in order to be more efficient and cost effective. Necessary acquisitions, such as our next generation fighter jet, have been plagued by delays and budget overruns. What lessons have been learned so far from the F-35 program that you will implement in future acquisitions?

Mr. FANNING. The F-35 program has provided several lessons applicable to future programs. First, while introducing a minor amount of concurrency to a program can streamline the transition from development to production, reduce overall costs and increase efficiency, starting production of the end item too early in the process can significantly increase the risk to the government in the form of additional costs and excessive rework. In today's highly technical world, early focus on software development, to include appropriate controls and oversight, must be enacted. Software efforts should be fully resourced and appropriate controls levied against the contractor to ensure the use of industry best practices. DOD and the Air Force recognize the importance of detailed cost estimates which improve the government's ability to negotiate contracts with the appropriate levels of risk and benefit for both the government and the contractor. The F-35 program also demonstrates the value of strong

government oversight of military contracts. The Air Force is starting to see stabilized and/or improved performance in a number of areas, to include improved program manager assessments, technical oversight, cost, workforce capabilities, contracting and funding execution.

ASIA-PACIFIC SHIFT

19. Senator LEE. Mr. Fanning, please explain how the Air Force is planning for the military's shift towards the Asia-Pacific region. Include in your answer what this shift will mean for existing domestic Air Force bases and what these bases and their communities can be doing to prepare for the shift.

Mr. FANNING. The Air Force is taking a broad approach to rebalancing to the Asia-Pacific, seeking wider distribution of forces, expanded agreements with partners, and increased partner interoperability.

Implementation of OSD's Asia-Pacific rebalance will not result in a substantial increase of U.S. Air Force permanent presence in the Pacific Command Area of Responsibility. However, in an era of overall force posture reductions, the rebalance protects forces in the Asia-Pacific, resulting in a small percentage increase of our total overseas presence.

Domestic Air Force bases and their communities will not experience a significant change in personnel or force structure as a result of the shift to the Asia-Pacific. However, rotational capabilities will continue to support the Secretary of Defense's strategy to rebalance its resources toward the Asia-Pacific region.

FINANCE EXPERIENCE

20. Senator LEE. Mr. Fanning, part of your job as Under Secretary of the Air Force would be serving as Chief Management Officer of the Air Force. This is an important position, as it will handle much of the day-to-day business of the Air Force, including managing finances. What experience do you have that qualifies you to handle this portion of the job? Please include specific examples of increasing efficiency and cutting costs from your time as Deputy Under Secretary of the Navy.

Mr. FANNING. I do feel I am strongly qualified to fill the role as Chief Management Officer (CMO) in the USAF. I entered my current position as the Deputy Under Secretary and Deputy Chief Management Officer of the Navy (DUSN/DCMO) shortly after the Department of the Navy's first confirmed dual-roll Under Secretary of the Navy (USN)/Chief Management Officer (CMO). This provided me the opportunity, working with him, congressional staff, OSD, and the other Services, to best understand the intent of CMO legislation and implement it in the most effective manner.

One of the first things I noticed was that the Department of the Navy's strategy was heavily influenced by a technology-centric philosophy—essentially implementing large business systems to drive transformation in the Department. Since transformation is best accomplished by improving the business and then laying in the appropriate technology—not the other way around, we changed the strategy. Moreover, I demand that before any dollar was spent there must be a compelling business case for that expenditure. In the simplest terms I always ask two questions: why and so what? Why are you doing this; what are you hoping to achieve, and so what? Why does that matter? Will you save money; will you increase performance in some critical area that someone cares about; or some other goal?

This is the leadership strategy I would employ in the Department of the Air Force if confirmed by the Senate. I bring to this position a facts-based, cost-conscious, and business-centric transformation philosophy. I also believe that in order to successfully transform at the highest level, you have to build relationships and trust. I have always found the best way to achieve outcomes is to give clear guidance and direction but allow individuals to come up with new and innovative ideas by empowering them. I also believe credibility is vital at this level and the success we have achieved in the Navy will serve me well. For example, in 2009 the Navy was handed the remnants of the Defense Integrated Military Human Resources System and told to implement it in the Navy. I immediately requested an independent assessment, and quickly concluded that we should stop inserting technology until we had first clearly defined the business problems. We then spent a year deconstructing our business processes, baselining our cost of doing business and prioritizing the highest impact business problems. Because of this approach, today the DoN is able to target specific problems holistic to the personnel and pay business—taking into account policy, processes and execution—before throwing technology into the equation. This

approach resulted in the DoN reprogramming roughly \$300 million to the Navy while modernizing its personnel and pay systems in the right way.

In terms of efficiencies, I spearheaded the Navy portion of the Secretary Gates efficiency effort. Two of my staff members served as part of Secretary Gates' core efficiency team. My office orchestrated the Navy's response by identifying and executing \$35 billion in efficiencies. The Navy DCMO efforts were recently highlighted in the GAO report 'Opportunities Exist to Improve Information Used in Monitoring Status of Efficiency Initiatives', GAO-13-105R, December 4, 2012, which praised the progress of Navy efficiency initiatives using our newly emplaced internal governance structure. It further highlighted that for all of the initiatives selected, the "Office of the Navy Deputy Chief Management Officer (DCMO) coordinated with the appropriate Navy offices ensuring implementation of efficiency initiatives went as planned" and at the right level.

As DCMO, I frequently met with my Air Force, Army, and OSD counterparts on the broad issues facing the DOD. I have played a key role in the full spectrum of management of department from streamlining business processes and certifying business IT systems to helping lead our Department on its path to audit readiness.

F-35 COST OVERRUNS

21. Senator LEE. Mr. Fanning, delays and cost overruns with the F-35 have caused some of our partner nations, most recently Canada and Australia, to reassess their acquisition of the jets. What effects will a reduction of purchases outside of the United States have on the program and the cost of the jet?

Mr. FANNING. The F-35 delivers joint and partner nation air power essential to our mutual security strategy, and is a capability needed to defeat 21st century threats. The F-35 program was established on the concept of economies of scale for purchases. If an International Partner or U.S. Service reduces the number of F-35 aircraft they plan to purchase, the unit cost of each F-35 will increase. The amount of the cost increase depends on how many jets are reduced and in which years.

22. Senator LEE. Mr. Fanning, how are DOD and the Air Force working with our partner nations to address their concerns and maintain their participation in the program?

Mr. FANNING. DOD and Air Force are in close coordination with all eight of the System Development and Demonstration (SDD) Partner nations in the F-35 program. In addition to the daily interaction between liaison officers and DOD staffs working at the JSF Program Office in Crystal City, there is regular interaction between Lt. Gen. Christopher Bogdan, the JSF Program Executive Officer and senior leaders from each of the eight nations. The JSF governance structure addresses requirements and sustainment issues at different levels of leadership and allows partner concerns to be addressed in an open forum. The most recent engagement with senior leaders of F-35 program participants was the 20 March 2013 Joint Executive Steering Board, where Lieutenant General Christopher Bogdan briefed our partners that "affordability is the #1 concern" in the F-35 program and provided a status of development, production, and sustainment issues. There is a high level of transparency in communicating F-35 program status information to the partners.

[The nomination reference of Mr. Eric K. Fanning follows:]

NOMINATION REFERENCE AND REPORT

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
February 4, 2013.

Ordered, That the following nomination be referred to the Committee on Armed Services:

Eric K. Fanning, of the District of Columbia, to be Under Secretary of the Air Force, vice Erin C. Conaton, resigned.

[The biographical sketch of Mr. Eric K. Fanning, which was transmitted to the committee at the time the nomination was referred, follows:]

BIOGRAPHICAL SKETCH OF ERIC K. FANNING

Education:

Dartmouth College

- 1986–1990
- Bachelor of Arts in History awarded June 1990

Employment Record:

Department of the Navy

- Deputy Under Secretary/Deputy Chief Management Officer
- July 2009–present

Department of Defense

- Special Assistant to the Secretary of Defense for White House Liaison
- April 2009–July 2009

Commission on the Prevention of WMD Proliferation and Terrorism

- Deputy Director
- May 2008–January 2009

Communication Management Group (CMG)

- Managing Director
- May 2007–May 2008

Business Executives for National Security (BENS)

- Senior Vice President for Strategic Development
- December 2001–May 2007
- Washington Regional Director
- March 2001–December 2001

1800HomeCare.com

- Senior Vice President, Operations and Strategy
- 1999–2000

Robinson Lerer and Montgomery Communication (RLM)

- Senior Associate
- 1998–1999

CBS National News

- Associate Producer, Foreign and National Desks New York City
- 1997–1998

The White House

- Associate Director of Political Affairs
- 1996

Department of Defense

- Special Assistant, Immediate Office of the Secretary of Defense
- 1993–1996

U.S. House of Representatives

- Research Assistant, House Armed Services Committee
- 1991–1993

[The Committee on Armed Services requires all individuals nominated from civilian life by the President to positions requiring the advice and consent of the Senate to complete a form that details the biographical, financial and other information of the nominee. The form executed by Mr. Eric K. Fanning in connection with his nomination follows:]

UNITED STATES SENATE
COMMITTEE ON ARMED SERVICES

Room SR-228

Washington, DC 20510-6050

(202) 224-3871

COMMITTEE ON ARMED SERVICES FORM

BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF
NOMINEES

INSTRUCTIONS TO THE NOMINEE: Complete all requested information. If more space is needed use an additional sheet and cite the part of the form and the question number (i.e. A-9, B-4) to which the continuation of your answer applies.

PART A—BIOGRAPHICAL INFORMATION

INSTRUCTIONS TO THE NOMINEE: Biographical information furnished in this part of the form will be made available in committee offices for public inspection prior to the hearings and will also be published in any hearing record as well as made available to the public.

1. **Name:** (Include any former names used.)
Eric Kenneth Fanning.

2. **Position to which nominated:**
Under Secretary of the Air Force.

3. **Date of nomination:**
February 4, 2013.

4. **Address:** (List current place of residence and office addresses.)
[Nominee responded and the information is contained in the committee's executive files.]

5. **Date and place of birth:**
July 2, 1968; Kalamazoo, MI.

6. **Marital Status:** (Include maiden name of wife or husband's name.)
Single.

7. **Names and ages of children:**
N/A.

8. **Education:** List secondary and higher education institutions, dates attended, degree received, and date degree granted.

Secondary:

Cranbook, Bloomfield Hills, MI, 1982-1984.
Centerville High School, Centerville, OH, 1984-1986 (high school diploma)

Higher Education:

Dartmouth College, B.A., 1986-1990.

9. **Employment record:** List all jobs held since college or in the last 10 years, whichever is less, including the title or description of job, name of employer, location of work, and dates of employment.

Bio attached (attachment 1).

Bio
Eric K. Fanning

Education:

- Dartmouth College
 - 1986 - 1990
 - Bachelor of Arts in History awarded June 1990

Employment Record:

- Department of the Navy
 - Deputy Under Secretary/Deputy Chief Management Officer
 - July, 2009 – present
- Department of Defense
 - Special Assistant to the Secretary of Defense for White House Liaison
 - April, 2009 – July, 2009
- Commission on the Prevention of WMD Proliferation and Terrorism
 - Deputy Director
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- Communication Management Group (CMG)
 - Managing Director
 - May, 2007 – May, 2008
- Business Executives for National Security (BENS)
 - Senior Vice President for Strategic Development
 - December, 2001 – May, 2007
 - Washington Regional Director
 - March, 2001 – December, 2001
- 1800HomeCare.com
 - Senior Vice President, Operations and Strategy
 - 1999 – 2000
- Robinson Lerer and Montgomery Communication (RLM)
 - Senior Associate
 - 1998 - 1999
- CBS National News
 - Associate Producer, Foreign and National Desks New York City
 - 1997 - 1998
- The White House

- Associate Director of Political Affairs
 - 1996
- Department of Defense
 - Special Assistant, Immediate Office of the Secretary of Defense
 - 1993 - 1996
- United States House of Representatives
 - Research Assistant, House Armed Services Committee
 - 1991 - 1993

10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than those listed above.

None.

11. **Business relationships:** List all positions currently held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational, or other institution.

None.

12. **Memberships:** List all memberships and offices currently held in professional, fraternal, scholarly, civic, business, charitable, and other organizations.

None.

13. **Political affiliations and activities:**

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

None.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 5 years.

None.

(c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$100 or more for the past 5 years.

The nominee responded and the information is contained in the committee's executive files.

14. **Honors and awards:** List all scholarships, fellowships, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

None since college.

15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

"The Infusion of Efficiencies into DON Culture and Processes"—article published in Armed Forces Comptroller Journal, Summer 2011.

16. **Speeches:** Provide the committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

Multiple speeches in current position, all relating to defense management and small business. None have transcripts. None were formally written.

17. **Commitments regarding nomination, confirmation, and service:**

(a) Have you adhered to applicable laws and regulations governing conflicts of interest?

Yes.

(b) Have you assumed any duties or undertaken any actions which would appear to presume the outcome of the confirmation process?

No.

(c) If confirmed, will you ensure your staff complies with deadlines established for requested communications, including questions for the record in hearings?

Yes.

(d) Will you cooperate in providing witnesses and briefers in response to congressional requests?

Yes.

- (e) Will those witnesses be protected from reprisal for their testimony or briefings?
Yes.
- (f) Do you agree, if confirmed, to appear and testify upon request before this committee?
Yes.
- (g) Do you agree to provide documents, including copies of electronic forms of communication, in a timely manner when requested by a duly constituted committee, or to consult with the committee regarding the basis for any good faith delay or denial in providing such documents?
Yes.

[The nominee responded to the questions in Parts B–F of the committee questionnaire. The text of the questionnaire is set forth in the Appendix to this volume. The nominee’s answers to Parts B–F are contained in the committee’s executive files.]

SIGNATURE AND DATE

I hereby state that I have read and signed the foregoing Statement on Biographical and Financial Information and that the information provided therein is, to the best of my knowledge, current, accurate, and complete.

ERIC K. FANNING.

This 25th day of February, 2013.

[The nomination of Mr. Eric K. Fanning was reported to the Senate by Chairman Levin on March 20, 2013, with the recommendation that the nomination be confirmed. The nomination was confirmed by the Senate on April 18, 2013.]